

Duke, Daphne

From: Margaret Marks <margaret.marks@nelsonmullins.com>
Sent: Thursday, January 17, 2019 3:23 PM
To: Duke, Daphne
Subject: RE: Halwig/Noller Exhibits
Attachments: 2019.01.16 535 p.m. e-mail.pdf; 2019.01.16 533 p.m. e-mail.pdf

Daphne,

My boss, Jack Smith, asked me to be sure to provide you with the attached e-mails which were sent yesterday after I couldn't file the exhibits electronically.

Thanks for all of your help,



MARGARET MARKS ADMINISTRATIVE ASSISTANT
margaret.marks@nelsonmullins.com
LIBERTY CENTER | SUITE 600
151 MEETING STREET | CHARLESTON, SC 29401
T 843.534.4844 F 843.722.8700
NELSONMULLINS.COM

RECEIVED

JAN 17 2019

PSC SC
CLERK'S OFFICE

From: Duke, Daphne [mailto:Daphne.Duke@psc.sc.gov]
Sent: Thursday, January 17, 2019 3:13 PM
To: Margaret Marks <margaret.marks@nelsonmullins.com>
Subject: RE: Halwig/Noller Exhibits

No attachments.

From: Margaret Marks [mailto:margaret.marks@nelsonmullins.com]
Sent: Thursday, January 17, 2019 3:10 PM
To: Duke, Daphne <Daphne.Duke@psc.sc.gov>
Subject: Halwig/Noller Exhibits

Daphne,

Did you get them through the secure file transfer I sent you?



MARGARET MARKS ADMINISTRATIVE ASSISTANT
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Margaret Marks

From: Margaret Marks on behalf of Jack Smith
Sent: Wednesday, January 16, 2019 5:33 PM
To: 'Gressette@WGFLAW.com'; 'abateman@regstaff.sc.gov'; 'jnelson@regstaff.sc.gov'; 'joseph.melchers@psc.sc.gov'
Subject: Halwigs and Nollers v. DIUC
Attachments: 20190116 LTRT Ms. Jocelyn Boyd serving discovery responses and other doc....pdf; Certificate of Service of Complainants filing Complainants' Exhibits.pdf; Complainants' Exhibits.pdf; Complainants Michael and Nancy Halwig's Responses to DIUC's First Discov....pdf; Complainants Stephen and Beverly Noller's Responses to DIUC's First Disc....pdf; Direct Testimony of Michael Halwig.pdf; Direct Testimony of Nancy Halwig.pdf; Direct Testimony of Beverly Noller.pdf; Certificate of Service of Stephen and Beverly Noller's Responses to DIUC....pdf; Certificate of Service of Michael and Nancy Halwig's Responses to DIUC's....pdf; Complainants' First Discovery Requests to Daufuskie Island Utility Compa....pdf

Please see the attached. My assistant attempted to file the actual PDFs of the exhibits through the PSC website but was unable so I am providing PDFs of the documents to you along with all other documentation filed today with the PSC. You will also receive hard copies of these documents via U.S. Mail. You will not, however, receive hard copies of the actual exhibits. I am providing PDFs of these documents only. I will send separate e-mails with the PDFs of the exhibits.

Best,
 Jack

 **NELSON MULLINS**
 Jack Smith

jack.smith@nelsonmullins.com | 843.534.4309
 151 Meeting Street Suite 600 | Charleston SC 29401

RECEIVED
 JAN 17 2019
 PSC SC
 CLERK'S OFFICE

Margaret Marks

From: Margaret Marks on behalf of Jack Smith
Sent: Wednesday, January 16, 2019 5:35 PM
To: 'Gressette@WGFLAW.com'; 'abateman@regstaff.sc.gov'; 'jnelson@regstaff.sc.gov'; 'joseph.melchers@psc.sc.gov'
Subject: Halwig and Noller vs. DIUC
Attachments: Complainants Exhibits 119-186 (2018).pdf; Complainants Exhibits 1-39 (2015).pdf; Complainants Exhibits 40-58 (2016).pdf; Complainants Exhibits 59- 118 (2017).pdf

Please see the attached PDFs Exhibits.

Best,
Jack

 **NELSON MULLINS**
Jack Smith
jack.smith@nelsonmullins.com | 843.534.4309
151 Meeting Street Suite 600 | Charleston SC 29401

RECEIVED

JAN 17 2019

PSC SC
CLERK'S OFFICE

From: Crow, Ken <kcrow@centurygolf.com>
Sent: Tuesday, October 27, 2015 11:20 AM
To: Josey, J. Rene
Subject: Re: Water/Sewer

I am headed there right now. Should be there later this afternoon. Will check into a couple issues as your brawl Rob. As part of our discussion tomorrow with the owner I will add the part about the possibility of bringing utilities across the golf courses. Our intent is to continue to be as cooperative as possible.

Thanks,
 Ken

Sent from my iPhone

On Oct 27, 2015, at 11:16 AM, Josey, J. Rene <JJosey@TurnerPadget.com<mailto:JJosey@turnerpadget.com>> wrote:

Yikes -- then this is not a good morning.

Why were they cut off ? Leaks? Who makes that decision?

I suppose that means the water and sewer ran along the road and not through the golf course and other easement?

Does this also mean the fire hydrant is cut-off?

Obviously this makes the situation more urgent -- but hopefully we can continue a cooperative effort -- only faster...

Rene'

[Description: http://vcard.turnerpadget.com/TPLogo_H_Web70.jpg]<<http://www.turnerpadget.com/>>

J. Rene Josey

Attorney

PO Box 5478 | Florence, SC 29502

319 South Irby Street | Florence, SC 29501

843-656-4451 | Fax 843-413-5818

josey@turnerpadget.com<<mailto:josey@turnerpadget.com>>

Bio<<http://www.turnerpadget.com/attorneys/details/j.-reene-josey/>> | vCard<<http://vcard.turnerpadget.com/JRJ.vcf>> |

Location<<http://www.turnerpadget.com/firm/offices/florence/>>

-----Original Message-----

From: Crow, Ken [mailto:kcrow@centurygolf.com]

Sent: Tuesday, October 27, 2015 10:54 AM

To: Josey, J. Rene

Subject: Halwig's Home

Good morning! I just learned from our staff that the water and sewer have been cut off to the home this morning.

Ken

Sent from my iPhone

From: Josey, J. Rene
Sent: Tuesday, October 27, 2015 8:25 PM
To: Nancy Halwig; jnhalwigmd@aol.com
Cc: Josey, J. Rene
Subject: RE: Water and Sewer

Understood.

Turner | Padget
 J. Rene Josey
 Attorney
 PO Box 5478 | Florence, SC 29502
 319 South Irby Street | Florence, SC 29501
 843-656-4451 | Fax 843-413-5818
 jjosey@turnerpadget.com
[Bio](#) | [vCard](#) | [Location](#)

From: Nancy Halwig [mailto:ndhalwig@aol.com]
Sent: Tuesday, October 27, 2015 8:00 PM
To: Josey, J. Rene
Cc: jnhalwigmd@aol.com
Subject: Re: Water and Sewer

Mike has verification that the power is on. Water is cut off due to high tides reportedly until tomorrow. Mike received an email stating such late today. We absolutely need a permanent fix to the utility situation.

Have a good evening.

Sent from my iPad

On Oct 27, 2015, at 2:13 PM, Josey, J. Rene <JJosey@TurnerPadget.com> wrote:

Glad to hear the power is routed through the golf course – so a generator won't be needed.

I can't explain why the utility folks have not given you direct notice – perhaps Ken Crow got bad information – he will call me once he is there.

Turner | Padget
 J. Rene Josey
 Attorney
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 843-656-4451 | Fax 843-413-5818
 jjosey@turnerpadget.com
[Bio](#) | [vCard](#) | [Location](#)

From: Nancy Halwig [mailto:ndhalwig@aol.com]
Sent: Tuesday, October 27, 2015 1:23 PM
To: Josey, J. Rene
Cc: jnhalwigmd@aol.com
Subject: Re: Water and Sewer

Thank you for update.

How can a utility discontinue service without notice especially when we have asked them to give us advice on their long term plan to correct the situation? They promised a reply within a minimum of 24 hours two weeks ago. We thought that was an odd way to state things as we knew they needed time to come up with a plan and at least 24 hours would be needed but to cut us off if indeed they did without contacting us is capricious. They certainly have our contact information. I believe we absolutely will need water and sewage access through the right of way we are seeking.

We believe we have power through the lines under the golf course so we do not believe power is our issue

Unfortunately we have no generator

Sent from my iPhone

On Oct 27, 2015, at 11:36 AM, Josey, J. Rene <JJosey@TurnerPadget.com> wrote:

Ken Crow has just advised me that water and sewer may have been cut-off to your home. I assume this would only be done if they are structurally failing/leaking.

He is en route and will report back to me. He is going to explore the possibility of providing these utilities across the golf course too. I have expressed the new sense of urgency to him.

Again, you may want to secure some type of ocean water pump/hoses – provided you still have electricity – do you have a generator there if needed?

Unfortunately, the legal system cannot fix all these immediate logistical needs – but we will continue to advocate for a prompt and reliable solution.

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From: Crow, Ken <kcrow@centurygolf.com>
Sent: Tuesday, October 27, 2015 9:05 PM
To: Josey, J. Rene
Subject: Re: Water and Sewer

You are correct. I can only relay what I've been told. I will try and confirm where the power is coming from. We will take a look in the morning as the tide is coming in now. I did not go onto the Halwig's property to look at the wall or back yard.

I will update you in the morning.

Thanks,
 Ken

Sent from my iPhone

> On Oct 27, 2015, at 8:59 PM, Josey, J. Rene <JJosey@TurnerPadget.com> wrote:

>

> Well, you are just the message bearer.

>

> My folks say that they have confirmation that the power is still on at their place -- apparently existing power route is through the golf course -- can you confirm?

>

>

> J. Rene Josey

> Attorney

> Turner Padget Graham & Laney P.A.

> PO Box 5478 | Florence, SC 29502

> 319 South Irby Street | Florence, SC 29501

> 843-656-4451 | Fax 843-413-5818

> jjosey@turnerpadget.com

>

> -----Original Message-----

> From: Crow, Ken [mailto:kcrow@centurygolf.com]

> Sent: Tuesday, October 27, 2015 8:39 PM

> To: Josey, J. Rene

> Subject: Re: Water and Sewer

>

> Our understanding is all utilities have been cut off to the four homes where the road has washed out. There was a break in the water line. I also understand the the Fire Chief has the most information on the situation. I will contact him tomorrow. There are two more very high tides schedule tonight and tomorrow.

> Sorry to not have better news.

> Ken

>

> Sent from my iPhone

>

> On Oct 27, 2015, at 8:27 PM, Josey, J. Rene <JJosey@TurnerPadget.com<mailto:JJosey@turnerpadget.com>> wrote:

>

> Any update? My clients are more anxious now with this water/sewer situation.
>
>
> [Description: http://vcard.turnerpadget.com/TPLogo_H_Web70.jpg]<<http://www.turnerpadget.com/>>
>
> J. Rene Josey
> Attorney
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> 319 South Irby Street | Florence, SC 29501
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> jjosey@turnerpadget.com<<mailto:jjosey@turnerpadget.com>>
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> | Location<<http://www.turnerpadget.com/firm/offices/florence/>>
>
>

From: Crow, Ken <kcrow@centurygolf.com>
Sent: Wednesday, October 28, 2015 12:23 PM
To: Josey, J. Rene
Subject: Halwig's Utilities Update

Rene,

Below is the latest update from our staff on the Halwig's utilities.

>
> Utilities update.... Water will be on in a few hours and SCEG (electric) says if they do that they will leave it on for for
alittle while longer.
>
> Sent from my iPhone

From: Josey, J. Rene
Sent: Monday, November 2, 2015 6:36 PM
To: jmhalwigmd@aol.com; Nancy Halwig (ndhalwig@aol.com)
Cc: Josey, J. Rene
Subject: Proposed Access Route
Attachments: Halwig Home.docx; Oct27HighTideDafauskie.jpg

I had a telephone conference with Ken Crowe tonight. He sent the attached map showing the general route they propose to provide access to your home. Mr. Bramlett -- who is apparently a principle behind Pelorus -- met with Ken last week at Dafauskie.

Mr. Bramlett and/or Pelorus apparently own or control Lot 72 and propose access across this lot from Martinangel Lane to the concrete golf cart path. They prefer this route rather than use of the utility easement to the NorthEast because it avoids friction with the other home-owners (and the utility easement may not be broad enough to allow vehicle access). A long-term solution may require POA consensus -- so it would probably serve your interest as well not to create any unnecessary friction with other home owners. As long as you aren't having to walk, the proposed route would seem agreeable -- it isn't any longer than the original road route.

They propose cutting across from the Cart Path to Driftwood Cottage Lane by going behind the 16th green and before the 17th Gold Tee box -- following a path of highest ground -- they will walk this with you to confirm. They are willing to work with you (cost sharing) to install some kind of alternative to the "logs" -- perhaps a partial fence around the new proposed cart path -- to direct users of the path in the proper direction (and away from sensitive areas of the course).

Ken Crow was unsure as to the present status of your water service. He said the exposed pipe was rocking with the tide last week and either broke or was about to break. High Tide photo is attached. He said that there were discussions about how to possibly secure the pipe to stop the rocking. Even if water service is re-established he continues to suggest you need a boost-pump at the hydrant to best protect you and the Noells. The access they propose to provide would be sufficient for golf carts and utility/flat-bed carts but not fire-trucks with their built-in booster pumps. Presumably fire fighters could travel to your home via utility vehicle -- but would need a boost pump when they got there. If water does not get restored, you may need to explore ocean-based firefighting. I remain concerned that your liability insurer might drop your coverage if there is no water available for firefighting.

I assume you will not have any renters unless/until water service is restored. If and when you do have renters, you will need to protect yourself as much as possible from liability -- from fire injury to them or cart-path injury -- this could be incorporated into whatever waiver you presently use with renters, if not already covered. For providing access, the golf course would also continue to expect you to hold them harmless from any liability to you and/or your renters from fire or cart path injury, etc.

Do you have a schedule of when renters or users are anticipated for the next few months?

For the long-range solution, Ken Crowe believes that there will need to be a change in the COBRA zoning and perhaps the creation of special tax districts to support a re-nourishment effort.

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 Attorney
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 jjosey@turnerpadget.com
Bio | vCard | Location

Turner | Padget

From: jmhalwigmd@aol.com
Sent: Wednesday, November 4, 2015 8:51 AM
To: Josey, J. Rene
Subject: Fwd: J. Michael Halwig MD commented on your site!

Please see below. I am getting the run around from the utility company. We will need to send a "nasty lawyer letter" requesting rerouting of the sewer and water once we find out the details of the easement if that is an option. redact this as discussed

-----Original Message-----

From: Guastella Admin <admin@guastella.com>
 To: jmhalwigmd <jmhalwigmd@aol.com>
 Sent: Tue, Nov 3, 2015 4:37 pm
 Subject: RE: J. Michael Halwig MD commented on your site!

Mr. Halwig,

Daufuskie Island Utility Company, will continue providing service to all customers as originally designed and in accordance with all regulatory requirements.

Thanks,

Carolyn Carleton

www.daufuskieislandutility.com

From: jmhalwigmd@aol.com [mailto:jmhalwigmd@aol.com]
Sent: Tuesday, November 03, 2015 10:20 AM
To: admin@guastella.com
Subject: Fwd: J. Michael Halwig MD commented on your site!

I have been trying to get a specific plan of action since my initial email of 10/13/15. Can you provide me with that information?

-----Original Message-----

From: jmhalwigmd <jmhalwigmd@aol.com>
 To: admin <admin@guastella.com>
 Sent: Wed, Oct 28, 2015 8:38 am
 Subject: Re: J. Michael Halwig MD commented on your site!

Thanks for the follow-up. I still have not been informed of the Utility's plan for maintenance of water/sewer access to our properties.

-----Original Message-----

From: Guastella Admin <admin@guastella.com>
 To: jmhalwigmd <jmhalwigmd@aol.com>
 Sent: Tue, Oct 27, 2015 5:31 pm
 Subject: RE: J. Michael Halwig MD commented on your site!

Hi Mr. Halwig,

The utility would like to inform you that your water service will be temporarily shut off due to the high tides and wave action. Crews will be on site and the service is expected to be restored by the end of the day on the 28th of October. Please accept our apologies for any inconvenience.

Sincerely,
Carolyn

Carolyn Carleton
Daufuskie Island Utility Company, Inc
617-423-2323

From: jmhalwigmd@aol.com [mailto:jmhalwigmd@aol.com]
Sent: Tuesday, October 27, 2015 9:09 AM
To: admin@guastella.com
Subject: Re: J. Michael Halwig MD commented on your site!

What are the plans to protect the system?

-----Original Message-----

From: Carolyn Carleton <admin@guastella.com>
To: jmhalwigmd <jmhalwigmd@aol.com>
Sent: Tue, Oct 27, 2015 8:56 am
Subject: Re: J. Michael Halwig MD commented on your site!

Mr. Halwig,

We understand your concerns. We are continuing to provide uninterrupted service to all customers in the Driftwood area. Our operators are monitoring the service main daily and are working with outside contractors to protect the system.

Thank you,
Carolyn

Carolyn Carleton
617-423-3030

On Oct 26, 2015, at 9:22 AM, jmhalwigmd@aol.com wrote:

What is the status of my request listed below?

-----Original Message-----

From: Guastella Admin <admin@guastella.com>
To: JMHalwigMD <JMHalwigMD@aol.com>
Sent: Wed, Oct 14, 2015 1:56 pm
Subject: RE: J. Michael Halwig MD commented on your site!

Mr. Halwig,

I am aware that there has been recent direct communications with our operators concerning this issue. And in response to your email from 10/13/2015 and 10/14/2015, the erosion along the beach near the Driftwood service area is and has been one of our primary concerns. Our operators have been working continuously on this issue. Though South Carolina is currently under a state of emergency we are doing everything in our means to continue service to your water and sewer laterals.

Carolyn

From: J. Michael Halwig MD [mailto:support@strikingly.com]
Sent: Wednesday, October 14, 2015 12:05 PM

To: admin@quastella.com

Subject: J. Michael Halwig MD commented on your site!

J. Michael Halwig MD commented on your site

<http://www.daufuskieislandutility.com/>

I am following up from my previous communication which I have not received a response from. The water and sewer pipes continue to erode behind the houses on Driftwood Cottage. There needs to be an immediate plan to protect those pipes. From my understanding there is an emergency order that the Melrose POA obtained to create a temporary road for emergency access which has now washed away. That allowed for large sand bags to be placed. I am suggesting in addition to whatever plans you already have is to contract with Tim Whittaker at (423) 202-6677 who did the work. He should be able to bring in those bags ASAP. He would need put down some sand to cross over to place them. I have instructed my lawyer Rene Josey of Turner Padgett to begin proceedings to compel the water company to run sewer and water to our property across the golf course from the homes on Martinagel that have service if the service across Driftwood is lost. Our electricity was run under the course so we are not at risk from loss of power to our lift station. I will follow this email up with a certified letter when we return to Atlanta from Daufuskie on Monday. If you provide me with an e-mail address I can provide you current photos of the situation.

- Email: JMHalwigMD@aol.com

- Name: J. Michael Halwig MD

- Phone:

SEE ALL YOUR RESPONSES

Reply to this email directly to respond to J. Michael Halwig MD (JMHalwigMD@aol.com).

[UNSUBSCRIBE](#)

<image001.jpg>

SUPPORT@STRIKINGLY.CC

From: Crow, Ken <kcrow@centurygolf.com>
Sent: Wednesday, November 4, 2015 5:47 PM
To: Josey, J. Rene
Subject: Re: Halwig and Noller situation -- Coordinating

Rene,

Thanks for the update. I will call you at 10:00 tomorrow to discuss. If that doesn't work I'm good after 2:30.

Thanks,
 Ken

Sent from my iPhone

On Nov 4, 2015, at 5:31 PM, Josey, J. Rene <JJosey@TurnerPadget.com<mailto:JJosey@turnerpadget.com>> wrote:

Ken,

I had a conversation with Dr. Halwig last night.

Their concern with access is not so much the route but the capacity. Their position is that utility cart access will be good but won't meet the need for emergency vehicles – I know you are aware of this position.

Also, Dr. Halwig advises that the sea wall protecting Halwig home and the Noller home is in need of reinforcement with external sand.

Sand on the interior side of the wall prevents the wall from being beaten as badly by waves, etc. But, of course, that sand washes bit-by-bit.

Now, the Halwigs/Nollers have reinforced the sand level directly behind the wall by pushing sand toward the back of the wall from the other areas of their lots – and they need more sand – from outside their lot (apparently the Island has an operational sand pit).

Transporting sand to their lot will also require access of sufficient capacity – but perhaps it can be coordinated with the golf course effort to reconstruct the adjacent sea wall and back fill behind it? What are the golf course plans to get soil/sand to the site of their adjacent needs?

Also – I have confirmed that the following scheduled periods of use are on the Horizon for the Halwigs or their tenants – November 12-15, November 26-30th, and December 28th – January 1st. Of course, those are subject to change.

I will be available tomorrow after 9:30 if you can talk.

Rene'

[Description: http://vcard.turnerpadget.com/TPLogo_H_Web70.jpg]<http://www.turnerpadget.com/>>

J. Rene Josey

Attorney

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Location<<http://www.turnerpadget.com/firm/offices/florence/>>

From: Josey, J. Rene
Sent: Monday, November 9, 2015 4:25 PM
To: Crow, Ken (kcrow@centurygolf.com)
Cc: Josey, J. Rene
Subject: Halwig: Draft Letter to Water Company
Attachments: 6701301_1.DOCX.pdf

Ken,

Although I am not relying on you to help advise the Halwig's or Norell's, I don't want to destroy any progress you have made. Do you see any problem with the attached letter? It doesn't commit you to any particular solution but it invites a group effort. I am prepared to finalize and send – I will copy you with final signed version.

Rene'

From: Crow, Ken <kcrow@centurygolf.com>
Sent: Monday, November 9, 2015 5:09 PM
To: Josey, J. Rene
Subject: Re: Halwig: Draft Letter to Water Company

Rene,

The letter is fine. The only change is my last no e on it.

Do you have time for a call tomorrow around 11AM?

Thanks,

Ken

Sent from my iPhone

On Nov 9, 2015, at 4:25 PM, Josey, J. Rene <JJosey@TurnerPadget.com<mailto:JJosey@turnerpadget.com>> wrote:

Ken,

Although I am not relying on you to help advise the Halwig's or Norell's, I don't want to destroy any progress you have made. Do you see any problem with the attached letter? It doesn't commit you to any particular solution but it invites a group effort. I am prepared to finalize and send – I will copy you with final signed version.

Rene'
<6701301_1.DOCX.pdf>

From: Josey, J. Rene
Sent: Tuesday, November 10, 2015 3:11 PM
To: admin@guastella.com
Cc: Crow, Ken (kcrow@centurygolf.com); Josey, J. Rene
Subject: Halwig and Noller Water/Sewer Utilities on Daufuskie Island
Attachments: Ltr to Carolyn Carleton-Halwig01662520151110151010.pdf

Please see the attached letter. We appreciate your past efforts and prompt attention to this on-going situation. Let us know how we can help.

Rene' Josey

Cc: Ken Crow, Century Golf

Turner | Padget

J. Rene Josey
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Turner | Padget

REPLY TO:

J. René Josey

E-Mail: RJosey@TurnerPadget.com
 Writer's Direct Dial: (843) 656-4451
 Writer's Direct Fax: (843) 413-5818

November 10, 2015

VIA E-MAIL ONLY

Ms. Carolyn Carleton
 Daufuskie Island Utility

Re: 46 Driftwood Cottage Lane
 TPGL File No.: 13826.101

Dear Ms. Carleton:

This firm represents Michael and Nancy Halwig with regard to their property located at the above-referenced address.

As you know, the Halwig's home as well as the home of their neighbors to the South (the Noller's) are in the unfortunate position of having the designed and planned roadway to their homes eroded beyond use. Accordingly, I have been working with Ken Crow of Century Golf in an effort to find a cooperative solution that would provide access to these homes so that they might be protected and used. Of course, water and sewer service is a critical part of the ability to use any home. We appreciate the efforts that the utility company has made in keeping the water and sewer service to these homes in working order.

The Halwig's are understandably worried about the property and all aspects related to their property -- including utility service. While all parties are working on a long term solution, there may be an acute need for an alternative route for water and sewer service for to these homes -- before a long term road and erosion solution is achieved. Mr. Crow is trying to work with us in fashioning an acceptable on-the-ground access solution until any alternative long term corrections are made; it may be that alternative water and sewer lines can be placed under this temporary path with minimal disruption to the golf course.

It certainly would be reassuring to know that the utility company is doing what it can to participate in the cooperative effort to serve their customers and preserve these important investments. If I can help encourage that effort in any way, please let me know. I will be happy to speak with you or any other appropriate person at the utility as you direct. I am sure Ken Crow (910-639-4008) who I am copying with this letter will be willing to do so as well.

Sincerely,

TURNER PADGET GRAHAM & LANEY P.A.

J. René Josey

JRJ:vlb

Cc: Ken Crow
 Michael and Nancy Halwig (via e-mail only)
 Terry R. Lee, Registered Agent

TURNER PADGET GRAHAM & LANEY P.A.
 Columbia | Charleston | Greenville | Florence | Myrtle Beach

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 Complainants 00018



Catherine E. Heigel, Director

Promoting and protecting the health of the public and the environment

**SEE SPECIAL
CONDITION(S)**

December 4, 2015

Melrose Property Owners Association
ATTN: Mr. John Thompson
2144 Mangrove Drive
Lexington, KY 40513-0911

Re: 2015-00113-1W
Melrose Property Owners Association
Daufuskie Island Beach Renourishment

Dear Mr. Thompson:

The SCDHEC Office of Ocean and Coastal Resource Management has reviewed your application to conduct a beach renourishment project along the Melrose Tract, Driftwood Cottage Lane, and Avenue of Oaks portions of the Atlantic Ocean shoreline of Daufuskie Island, Beaufort County, South Carolina and has issued a permit for this work. You should carefully read the description of the authorized project and special conditions that have been placed on the permit, as these conditions modify the permitted activity. In addition, there are a series of general conditions that should be reviewed. The original and one photocopy of the permit, as issued, are enclosed. After carefully reading the permit, if you wish to accept the permit as issued, sign and date in the signature block entitled "PERMITTEE" on the original version of the permit and return it to this Department. Keep the photocopy for your records.

PLEASE READ CAREFULLY: You are required to sign and return the original version of your permit to this Department. If this permit is not signed and returned within thirty (30) days of issuance, OR appealed within 15 days as described on the enclosed "Guide to Board Review", the Department reserves the right to cancel this permit. Please carefully review the enclosed "Guide to Board Review" for information and deadlines for appealing this permit.

We have also enclosed a "request for a construction placard" card. You must complete and submit this card to the Department prior to construction. The Department will issue you a construction placard that must be posted at the construction site.

PLEASE NOTE: You are not authorized to commence work under the permit until we have received the original version of the entire permit signed and accepted by you, and a construction placard has been issued and posted at the construction site. The receipt of this permit does not relieve you of the responsibility of acquiring any other federal or local permits that may be required. Please return the signed permit to the following address:

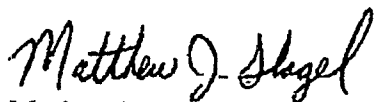
SOUTH CAROLINA DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL
2600 Bull Street • Columbia, SC 29201 • Phone: (803) 898-3432 • www.scdhec.gov

MAILED
12.4.15

Complainants 00019

DHEC-OCRM
1362 McMillan Ave, Suite 400
Charleston, SC 29405

Sincerely,



Matthew J. Slagel
Wetland Section Project Manager

Enclosure

cc: Blair Williams, DHEC-OCRM Wetland Permitting Section Manager
Tom Hutto, GEL Engineering, LLC, Agent
Debbie King, USACE

**SEE SPECIAL
CONDITION(S)**

South Carolina Board of Health and Environmental Control

Guide to Board Review

Pursuant to S.C. Code Ann. § 44-1-60

The decision of the South Carolina Department of Health and Environmental Control (Department) becomes the final agency decision fifteen (15) calendar days after notice of the decision has been mailed to the applicant, permittee, licensee and affected persons who have requested in writing to be notified, unless a written request for final review accompanied by a filing fee in the amount of \$100 is filed with Department by the applicant, permittee, licensee or affected person.

Applicants, permittees, licensees, and affected parties are encouraged to engage in mediation or settlement discussions during the final review process.

If the Board declines in writing to schedule a final review conference, the Department's decision becomes the final agency decision and an applicant, permittee, licensee, or affected person may request a contested case hearing before the Administrative Law Court within thirty (30) calendar days after notice is mailed that the Board declined to hold a final review conference. In matters pertaining to decisions under the South Carolina Mining Act, appeals should be made to the South Carolina Mining Council.

I. Filing of Request for Final Review

1. A written Request for Final Review (RFR) and the required filing fee of one hundred dollars (\$100) must be received by Clerk of the Board within fifteen (15) calendar days after notice of the staff decision has been mailed to the applicant, permittee, licensee, or affected persons. If the 15th day occurs on a weekend or State holiday, the RFR must be received by the Clerk on the next working day. RFRs will not be accepted after 5:00 p.m.
2. RFRs shall be in writing and should include, at a minimum, the following information:
 - The grounds for amending, modifying, or rescinding the staff decision;
 - a statement of any significant issues or factors the Board should consider in deciding how to handle the matter;
 - the relief requested;
 - a copy of the decision for which review is requested; and
 - mailing address, email address, if applicable, and phone number(s) at which the requestor can be contacted.
3. RFRs should be filed in person or by mail at the following address:
 South Carolina Board of Health and Environmental Control
 Attention: Clerk of the Board
 2600 Bull Street
 Columbia, South Carolina 29201
 Alternatively, RFR's may be filed with the Clerk by facsimile (803-898-3393) or by electronic mail (boardclerk@dhec.sc.gov).
4. The filing fee may be paid by cash, check or credit card and must be received by the 15th day.
5. If there is any perceived discrepancy in compliance with this RFR filing procedure, the Clerk should consult with the Chairman or, if the Chairman is unavailable, the Vice-Chairman. The Chairman or the Vice-Chairman will determine whether the RFR is timely and properly filed and direct the Clerk to (1) process the RFR for consideration by the Board or (2) return the RFR and filing fee to the requestor with a cover letter explaining why the RFR was not timely or properly filed. Processing an RFR for consideration by the Board shall not be interpreted as a waiver of any claim or defense by the agency in subsequent proceedings concerning the RFR.
6. If the RFR will be processed for Board consideration, the Clerk will send an Acknowledgement of RFR to the Requestor and the applicant, permittee, or licensee, if other than the Requestor. All personal and financial identifying information will be redacted from the RFR and accompanying documentation before the RFR is released to the Board, Department staff or the public.
7. If an RFR pertains to an emergency order, the Clerk will, upon receipt, immediately provide a copy of the RFR to all Board members. The Chairman, or in his or her absence, the Vice-Chairman shall based on the circumstances, decide whether to refer the RFR to the RFR Committee for expedited review or to decline in writing to schedule a Final Review Conference. If the Chairman or Vice-Chairman determines review by the RFR Committee is appropriate, the Clerk will forward a copy of the RFR to Department staff and Office of General Counsel. A Department response and RFR Committee review will be provided on an expedited schedule defined by the Chairman or Vice-Chairman.
8. The Clerk will email the RFR to staff and Office of General Counsel and request a Department Response within eight (8) working days. Upon receipt of the Department Response, the Clerk will forward the RFR and Department Response to all Board members for review, and all Board members will confirm receipt of the RFR to the Clerk by email. If a Board member does not confirm receipt of the RFR within a twenty-four (24) hour period, the Clerk will contact the Board member and confirm receipt. If a Board member believes the RFR should be considered by the RFR Committee, he or she will

respond to the Clerk's email within forty-eight (48) hours and will request further review. If no Board member requests further review of the RFR within the forty-eight (48) hour period, the Clerk will send a letter by certified mail to the Requestor, with copy by regular mail to the applicant, permittee, or licensee, if not the Requestor, stating the Board will not hold a Final Review Conference. Contested case guidance will be included within the letter.

NOTE: If the time periods described above end on a weekend or State holiday, the time is automatically extended to 5:00 p.m. on the next business day.

9. If the RFR is to be considered by the RFR Committee, the Clerk will notify the Presiding Member of the RFR Committee and the Chairman that further review is requested by the Board. RFR Committee meetings are open to the public and will be public noticed at least 24 hours in advance.
10. Following RFR Committee or Board consideration of the RFR, if it is determined no Conference will be held, the Clerk will send a letter by certified mail to the Requestor, with copy by regular mail to the applicant, permittee, or licensee, if not the Requestor, stating the Board will not hold a Conference. Contested case guidance will be included within the letter.

II. Final Review Conference Scheduling

1. If a Conference will be held, the Clerk will send a letter by certified mail to the Requestor, with copy by regular mail to the applicant, permittee, or licensee; if not the Requestor, informing the Requestor of the determination.
2. The Clerk will request Department staff provide the Administrative Record.
3. The Clerk will send Notice of Final Review Conference to the parties at least ten (10) days before the Conference. The Conference will be publically noticed and should:
 - include the place, date and time of the Conference;
 - state the presentation times allowed in the Conference;
 - state evidence may be presented at the Conference;
 - if the conference will be held by committee, include a copy of the Chairman's order appointing the committee; and
 - inform the Requestor of his or her right to request a transcript of the proceedings of the Conference prepared at Requestor's expense.
4. If a party requests a transcript of the proceedings of the Conference and agrees to pay all related costs in writing, including costs for the transcript, the Clerk will schedule a court reporter for the Conference.

III. Final Review Conference and Decision

1. The order of presentation in the Conference will, subject to the presiding officer's discretion, be as follows:
 - Department staff will provide an overview of the staff decision and the applicable law to include [10 minutes]:
 - Type of decision (permit, enforcement, etc.) and description of the program.
 - Parties
 - Description of facility/site
 - Applicable statutes and regulations
 - Decision and materials relied upon in the administrative record to support the staff decision.
 - Requestor(s) will state the reasons for protesting the staff decision and may provide evidence to support amending, modifying, or rescinding the staff decision. [15 minutes] *NOTE: The burden of proof is on the Requestor(s)*
 - Rebuttal by Department staff [15 minutes]
 - Rebuttal by Requestor(s) [10 minutes]

Note: Times noted in brackets are for information only and are superseded by times stated in the Notice of Final Review Conference or by the presiding officer.
2. Parties may present evidence during the conference; however, the rules of evidence do not apply.
3. At any time during the conference, the officers conducting the Conference may request additional information and may question the Requestor, the staff, and anyone else providing information at the Conference.
4. The presiding officer, in his or her sole discretion, may allow additional time for presentations and may impose time limits on the Conference.
5. All Conferences are open to the public.
6. The officers may deliberate in closed session.
7. The officers may announce the decision at the conclusion of the Conference or it may be reserved for consideration.
8. The Clerk will mail the written final agency decision (FAD) to parties within 30 days after the Conference. The written decision must explain the basis for the decision and inform the parties of their right to request a contested case hearing before the Administrative Law Court or in matters pertaining to decisions under the South Carolina Mining Act, to request a hearing before the South Carolina Mining Council. The FAD will be sent by certified mail, return receipt requested.
9. Communications may also be sent by electronic mail, in addition to the forms stated herein, when electronic mail addresses are provided to the Clerk.

The above information is provided as a courtesy; parties are responsible for complying with all applicable legal requirements.

SOUTH CAROLINA DEPARTMENT OF HEALTH AND ENVIRONMENTAL
CONTROL
OFFICE OF OCEAN AND COASTAL RESOURCE MANAGEMENT

CRITICAL AREA PERMIT & COASTAL ZONE CONSISTENCY CERTIFICATION

Permittee(s): Melrose Property Owners Association

Permit Number(s): 2015-00113-1W

Date of Issuance: December 4, 2015

Expiration Date: December 4, 2020

Location: On and adjacent to the Atlantic Ocean at the Melrose Tract,
Driftwood Cottage Lane, and Avenue of Oaks, Daufuskie Island,
Beaufort County, South Carolina.

**SEE SPECIAL
CONDITION(S)**

This permit is issued under the provisions of S. C. Code Ann. Section 48-39-10, *et seq.*, and 23A S.C. Code Ann. Regs. 30-1 through 30-18 (Supp. 2005). Please carefully read the project description and special conditions that appear on this permit/certification as they will affect the work that is allowed and modify the work from that shown on the submitted plans. All special conditions attached to the permit will take precedence over submitted plans. The general conditions are also a part of this permit/certification and should be read in their entirety. The S. C. Contractor's Licensing Act of 1999, enacted as S.C. Code Ann. Section 40-11-5 through 430, requires that all construction with a total cost of \$5,000 or more be performed by a licensed contractor with a valid contractor's license for marine class construction, except for construction performed by a private landowner for strictly private purposes. Your signature on and acceptance of this permit denotes your understanding of the stated law regarding use of licensed contractors. All listed special and general conditions will remain in effect for the life of the permit. This applies to permittee, future property owners, or permit assignees.

DESCRIPTION OF THE PROJECT, AS AUTHORIZED

The plans submitted by you, attached hereto, show the work consists of beach renourishment. Specifically, the work consists of dredging 1.14 million cubic yards of beach compatible sand from Barnett Shoals. The dredged sand will be pumped via pipeline and placed along approximately 5,000 feet of shoreline where it will be graded and shaped with land-based equipment. The purpose of the project is to reestablish the eroded beach and to provide 6 to 8 years of protection to upland property and structures during normal climate conditions, to provide a recreational beach, and to enhance sea turtle nesting habitat.

RECEIVED DEC 30 2015

page 1 of 12

Complainants 00023

Permit #: 2015-00113-1W

SEE SPECIAL CONDITION(S)

SPECIAL CONDITIONS

1. The *Reasonable and Prudent Measures* and *Terms and Conditions* in the U.S. Fish and Wildlife Service's Biological Opinion, dated October 29, 2015 must be followed. See Attachment A.
2. A dedicated observer for manatees must be present on the dredge during operation if dredging activities take place between May 1 and October 31.
3. The beach must be monitored for nesting sea turtles before, during, and after project construction each day if the work occurs during the nesting season (May 1 – October 31). The individual monitoring for sea turtles must be approved by the South Carolina Department of Natural Resources. Additionally, the approved individual must not be a property owner benefiting from the work authorized under this permit.
4. All sandbags, derelict concrete, metal, and coastal armoring geotextile material and other debris must be removed from the beach prior to any sand placement to the maximum extent possible. If debris removal activities will take place from May 1 through October 31, the work must be conducted during daylight hours only and must not commence until completion of the sea turtle survey each day. After debris removal but prior to sand placement, DHEC-OCRM staff must be notified so that a pre-renourishment inspection can be completed to ensure that the debris has been sufficiently removed from the beach. Notification must be sent via email to Sean Briggs, Manager of Compliance and Enforcement Section at briggssm@dhec.sc.gov.
5. Within the Barrett Shoals borrow area, the contractor must begin dredge operations at the outer edges of higher elevation mounds of suitable material and proceed inwards rather than dig deep pits in the center of the borrow area whenever possible. Maximum authorized dredge depth is -20 feet NGVD29 plus 2 feet over depth.
6. Dredging must be performed by hydraulic cutterhead suction dredge only.
7. All necessary measures must be taken to prevent oil, tar, trash, debris, and other pollutants from entering the adjacent waters or wetlands during construction.
8. Only clean sand, free from all potential sources of pollution, must be used for beach renourishment.
9. Sand used must consist of appropriate grain sizes to be compatible for beach renourishment. If muddy sediments are observed while sand is being placed on

RECEIVED DEC 31 2015

page 2 of 12

Complainants 00024

SLE SPECIAL CONDITION(S)

Permit #: 2015-00113-1W

the beach, dredging of that portion of the borrow area must be terminated immediately and the dredge must be moved to another location.

10. The renourished beach should be monitored for compaction following renourishment and when necessary, appropriate measures such as tilling should be implemented.
11. The renourished beach should be monitored for escarpment formation following renourishment and when necessary, appropriate measures such as leveling should be implemented.
12. In the event that any historic or cultural resources and/or archaeological materials are found during the course of work, the applicant must notify the State Historic Preservation Office and the South Carolina Institute of Archaeology and Anthropology. Historic or cultural resources consist of those sites listed in the National Register of Historic Places and those sites that are eligible for the National Register. Archaeological materials consist of any items, fifty years old or older, which were made or used by man. These items include, but are not limited to, stone projectile points (arrowheads), ceramic sherds, bricks, worked wood, bone and stone, metal and glass objects, and human skeletal materials.

PERMITTEE'S ATTENTION IS DIRECTED TO GENERAL CONDITIONS NUMBERS FOUR (4) AND FIVE (5). BY ACCEPTANCE OF THIS PERMIT, PERMITTEE IS PLACED ON NOTICE THAT THE STATE OF SOUTH CAROLINA, BY ISSUING THIS PERMIT, DOES NOT WAIVE ITS RIGHTS TO REQUIRE PAYMENT OF A REASONABLE FEE FOR USE OF STATE LANDS AT A FUTURE DATE IF SO DIRECTED BY STATUTE.

THE PERMITTEE, BY ACCEPTANCE OF THIS PERMIT AGREES TO ABIDE BY THE TERMS AND CONDITIONS CONTAINED HEREIN AND TO PERFORM THE WORK IN STRICT ACCORDANCE WITH THE PLANS AND SPECIFICATIONS ATTACHED HERETO AND MADE A PART HEREOF. ANY DEVIATION FROM THESE CONDITIONS, TERMS, PLANS AND SPECIFICATIONS SHALL BE GROUNDS FOR REVOCATION, SUSPENSION OR MODIFICATION OF THIS PERMIT AND THE INSTITUTION OF SUCH LEGAL PROCEEDINGS AS THE DEPARTMENT MAY CONSIDER APPROPRIATE.

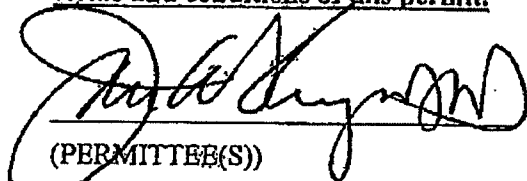
RECEIVED DEC 30 2015

page 3 of 12

Complainants 00025

Permit #: 2015-00113-1W

Your signature below, as permittee, indicates that you accept and agree to comply with the terms and conditions of this permit.



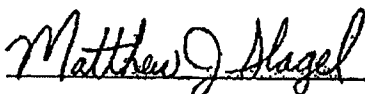
(PERMITTEE(S))

14 December 2015

(DATE)

Melrose Property Owners Association

This permit becomes effective when the State official, designated to act for the Office of Ocean and Coastal Resource Management, has signed below.



12/11/2015

(WETLAND SECTION PROJECT MANAGER) (DATE)

Matthew J. Slagel

Or Other Authorized State Official

**SEE SPECIAL
CONDITION(S)**

RECEIVED DEC 30 2015



GENERAL CONDITIONS:

This construction and use permit is expressly contingent upon the following conditions which are binding on the permittee:

1. That the permittee, in accepting this permit, covenants and agrees to comply with and abide by the provisions and conditions herein and assumes all responsibility and liability and agrees to save OCRM and the State of South Carolina, its employees or representatives, harmless from all claims of damage arising out of operations conducted pursuant to this permit.
2. That if the activity authorized herein is not constructed or completed within five years of the date of issuance, this permit shall automatically expire. A request, in writing, for an extension of time shall be made not less than thirty days prior to the expiration date.
3. That all authorized work shall be conducted in a manner that minimizes any adverse impact on fish, wildlife and water quality.
4. That this permit does not relieve the permittee from the requirements of obtaining a permit from the U. S. Army Corps of Engineers or any other applicable federal agency, nor from the necessity of complying with all applicable local laws, ordinances, and zoning regulations. This permit is granted subject to the rights of the State of South Carolina in the navigable waters and shall be subject, further, to all rights held by the State of South Carolina under the public trust doctrine as well as any other right the State may have in the waters and submerged lands of the coast.
5. That this permit does not convey, expressly or impliedly, any property rights in real estate or material nor any exclusive privileges; nor does it authorize the permittee to alienate, diminish, infringe upon or otherwise restrict the property rights of any other person or the public; nor shall this permit be interpreted as appropriating public properties for private use.
6. That the permittee shall permit OCRM or its authorized agents or representatives to make periodic inspections at any time deemed necessary in order to ensure that the activity being performed is in accordance with the terms and conditions of this permit.
7. That any abandonment of the permitted activity will require restoration of the area to a satisfactory condition as determined by OCRM.
8. That this permit may not be transferred to a third party without prior written notice to OCRM, either by the transferee's written agreement to comply with all terms and conditions of this permit or by the transferee subscribing to this permit and thereby agreeing to comply.
9. That if the display of lights and signals on any structure or work authorized herein is not otherwise provided for by law, such lights and special signals as may be prescribed by the United States Coast Guard shall be installed and maintained by and at the expense of the permittee.
10. That the permit construction placard or a copy of the placard shall be posted in a conspicuous place at the project site during the entire period of work.
11. That the structure or work authorized herein shall be in accordance with the permit, as issued, and shall be maintained in good condition. Failure to build in accordance with the permit, as issued, or failure to maintain the structure in good condition, shall result in the revocation of this permit.
12. That the authorization for activities or structures herein constitutes a revocable license. OCRM may require the permittee to modify activities or remove structures authorized herein

RECEIVED DEC 30 2015

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Complainants 00027

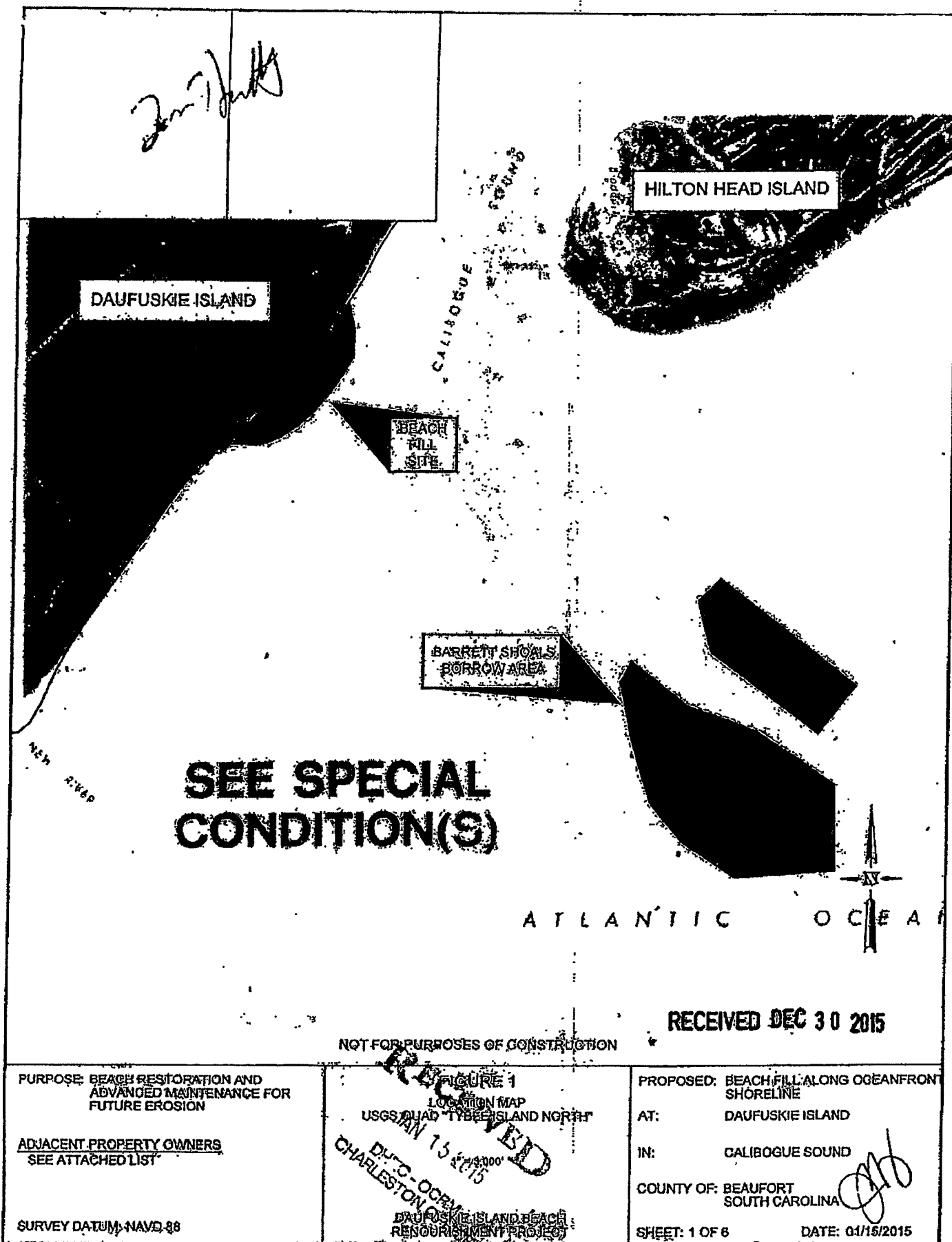
if it is determined by OCRM that such activity or structures violates the public's health, safety, or welfare, or if any activity is inconsistent with the public trust doctrine.

Modification or removal under this condition shall be ordered only after reasonable notice stating the reasons therefore and provision to the permittee of the opportunity to respond in writing. When the Permittee is notified that OCRM intends to revoke the permit, Permittee agrees to immediately stop work pending resolution of the revocation.

13. That OCRM shall have the right to revoke, suspend, or modify this permit in the event it is determined the permitted structure (1) significantly impacts the public health, safety and welfare, and/or is violation of Section 48-39-150, (2) adversely impacts public rights, (3) that the information and data which the permittee or any other agencies have provided in connection with the permit application is either false, incomplete or inaccurate, or (4) that the activity is in violation of the terms and/or conditions, including any special conditions of the permit. That the permittee, upon receipt of OCRM's written intent to revoke, suspend, or modify the permit has the right to a hearing. Prior to revocation, suspension, or modification of this permit, OCRM shall provide written notification of intent to revoke to the permittee, and permittee can respond with a written explanation to OCRM. (South Carolina Code Section 1-23-370 shall govern the procedure for revocation, suspension or modification herein described).
14. That any modification, suspension or revocation of this permit shall not be the basis of any claim for damages against OCRM or the State of South Carolina or any employee, agent, or representative of OCRM or the State of South Carolina.
15. That all activities authorized herein shall, if they involve a discharge or deposit into navigable waters or ocean waters, be at all times consistent with all applicable water quality standards, effluent limitations and standards of performance, prohibitions, and pretreatment standards established pursuant to applicable federal, state and local laws.
16. That extreme care shall be exercised to prevent any adverse or undesirable effects from this work on the property of others. This permit authorizes no invasion of adjacent private property, and OCRM assumes no responsibility or liability from any claims of damage arising out of any operations conducted by the permittee pursuant to this permit.

RECEIVED DEC 30 2015





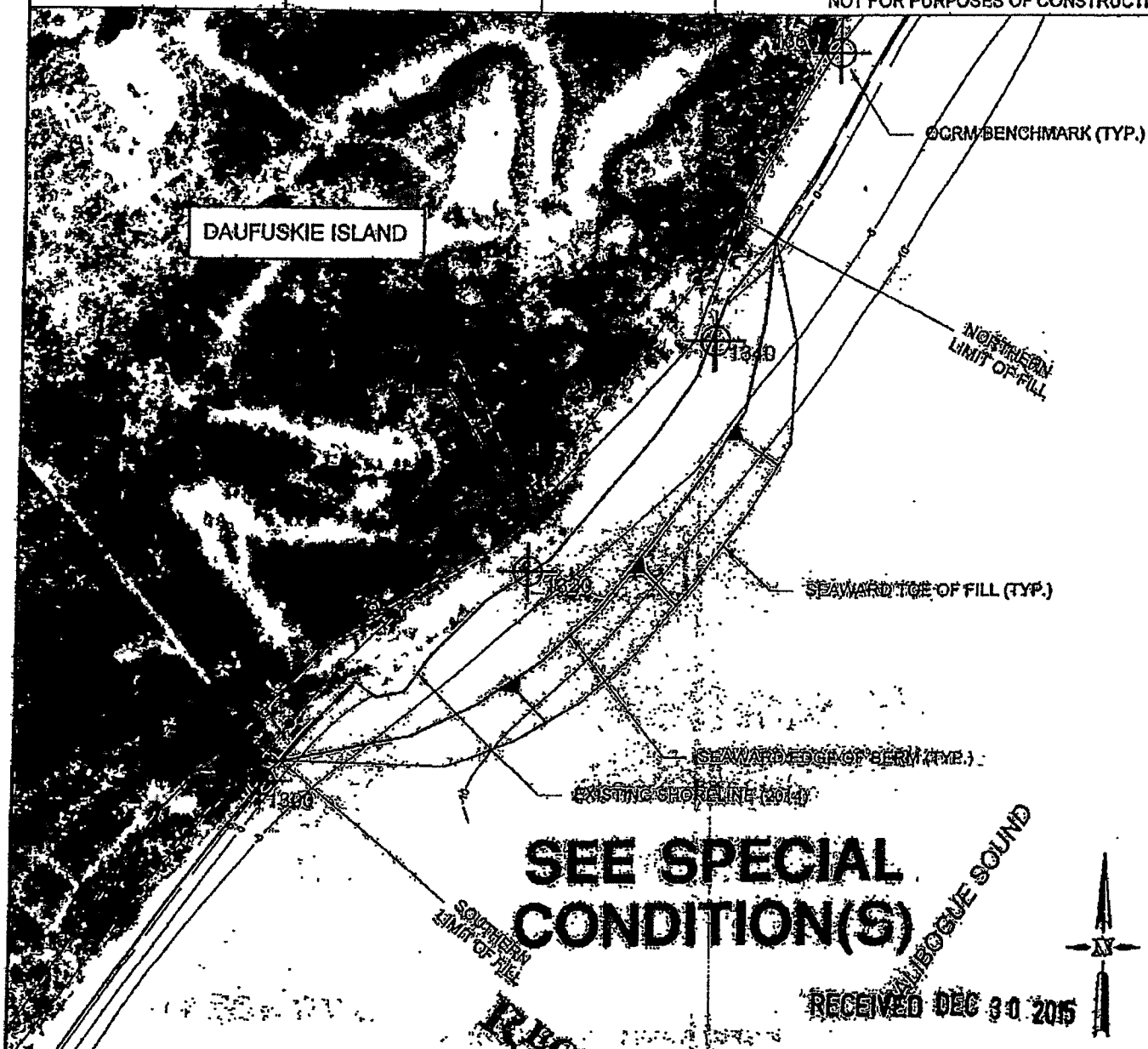
Page 7 of 12

Jan 7/15

NOTES:

1. BASE INFORMATION COME FROM IMAGERY OBTAINED FROM SCDNR GIS DATA CLEARINGHOUSE AND BEACH PROFILE SURVEYS PERFORMED BY GEL ENGINEERING, LLC.
2. DATE OF SURVEY: OCTOBER 6-8, 2014. CONTOURS SHOWN ARE MEASURED IN FEET AND REFERENCED TO NAVD 88.
3. DATE OF AERIAL PHOTOGRAPHY: MARCH 1, 2010
4. SEE SHEET 3 FOR BEACH FILL PROFILES 24 AND 26. SEE SHEET 4 FOR BEACH FILL PROFILES 28 AND 30.
5. SEE SHEET 5 FOR BARRETT SHOALS BORROW AREA PLAN. SEE SHEET 6 FOR BARRETT SHOALS BORROW AREA SECTIONS.

NOT FOR PURPOSES OF CONSTRUCTION



PURPOSE: BEACH RESTORATION AND
ADVANCED MAINTENANCE FOR
FUTURE EROSION

ADJACENT PROPERTY OWNERS
SEE ATTACHED LIST

SURVEY DATUM: NAVD 88

FIGURE 2
BEACH FILL PLAN
JAN 15 2015
DHEC - OCRM
CHARLESTON OFFICE
DAUFUSKIE ISLAND BEACH
RESTORATION PROJECT

PROPOSED: BEACH FILL ALONG OCEANFRONT
SHORELINE

AT: DAUFUSKIE ISLAND

IN: CALIBOGUE SOUND

COUNTY OF: BEAUFORT
SOUTH CAROLINA

SHEET: 2 OF 6

DATE: 01/15/2015

Compliance 00000000

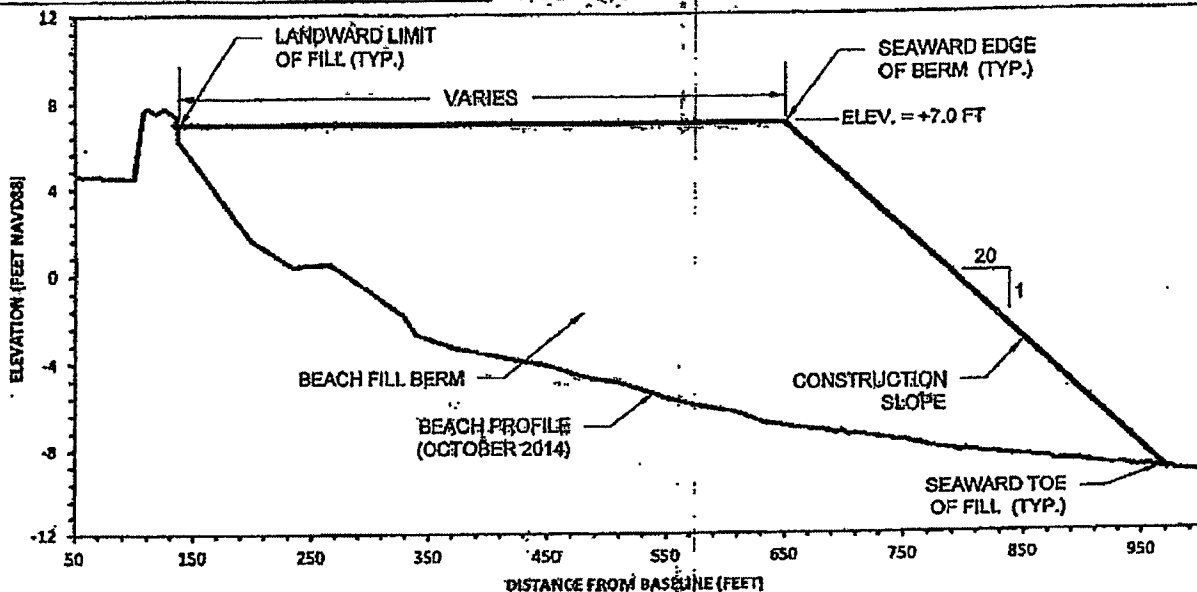
page 8 of 12

Jan 2015

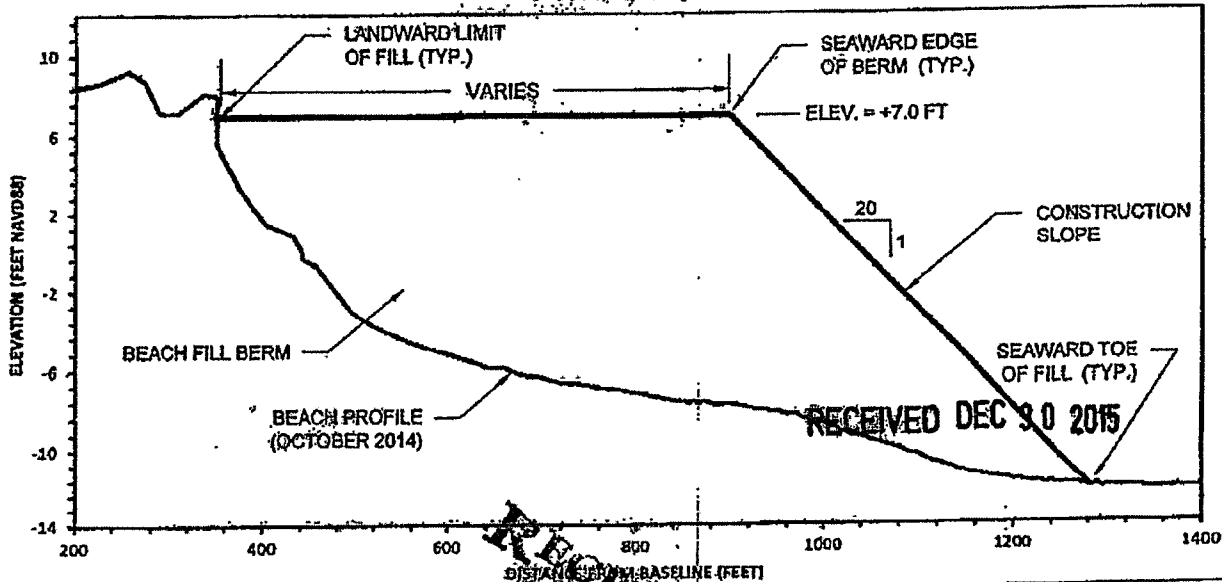
**SEE SPECIAL
CONDITION(S)**

NOT FOR PURPOSES OF CONSTRUCTION

Monument 24



Monument 26



RECEIVED DEC 30 2015

PURPOSE: BEACH RESTORATION AND
ADVANCED MAINTENANCE FOR
FUTURE EROSION

ADJACENT PROPERTY OWNERS
SEE ATTACHED LIST

SURVEY DATUM: NAVD 88

RECEIVED
FIGURE 3
MONUMENT 24 AND 26
BEACH FILL SECTIONS
NOV 20 2015
DAUFUSKIE ISLAND
RENOURISHMENT PROJECT
CHARLESTON OFFICE

PROPOSED: BEACH FILL ALONG OCEANFRONT
SHORELINE

AT: DAUFUSKIE ISLAND

IN: CALIBOGUE SOUND

COUNTY OF: BEAUFORT
SOUTH CAROLINA

SHEET: 3 OF 6

DATE: 01/15/2015

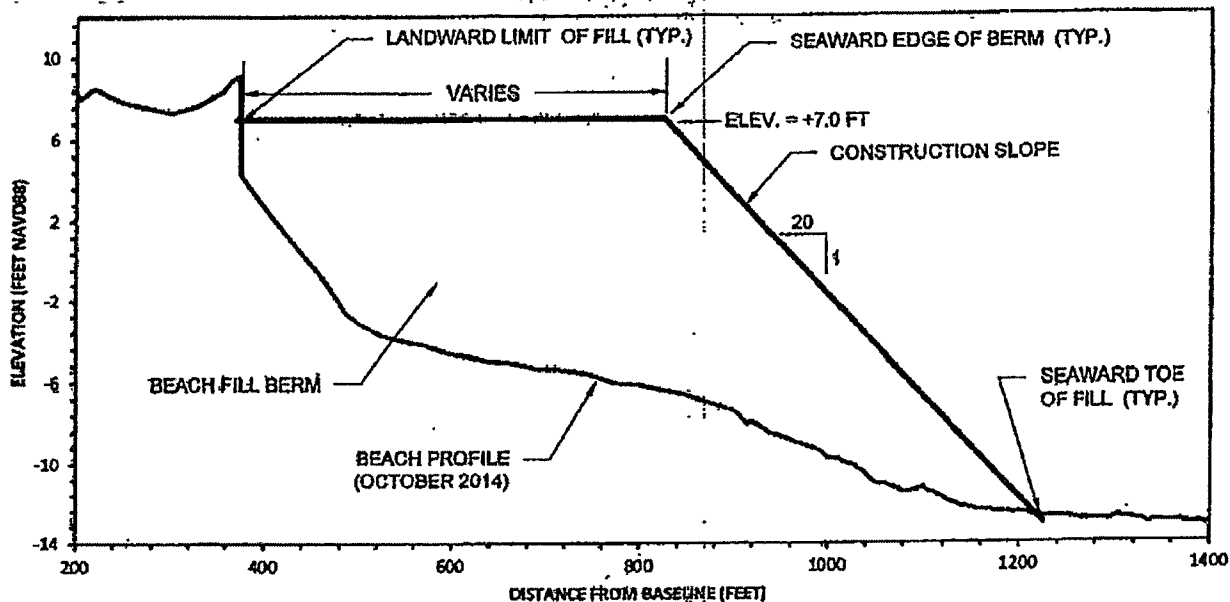
Complainants 00031

Tom Huth

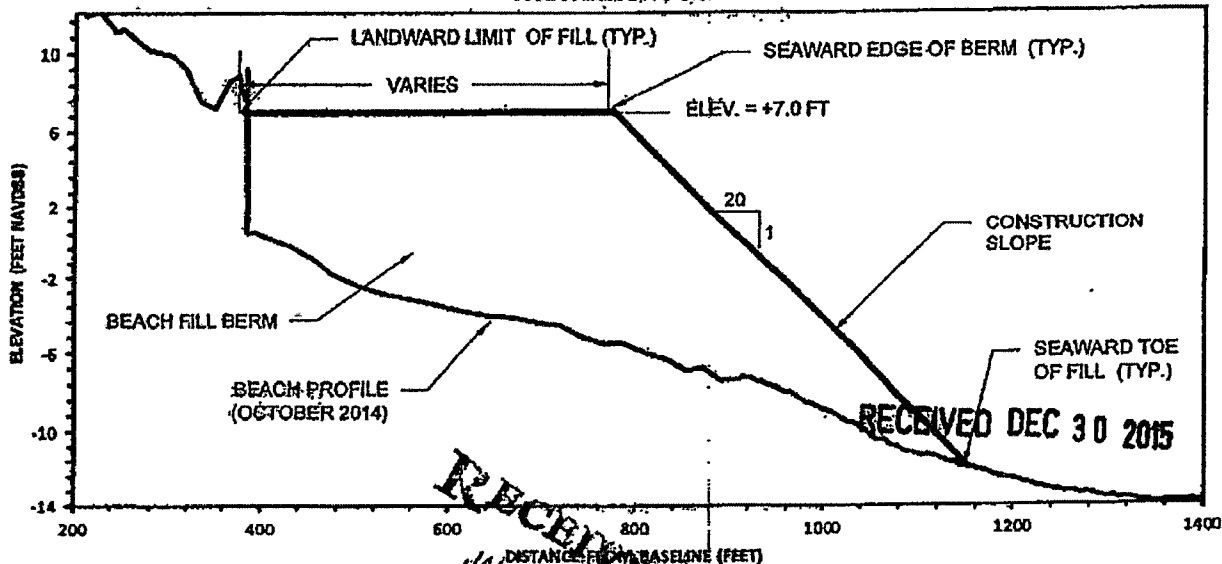
**SEE SPECIAL
CONDITION(S)**

NOT FOR PURPOSES OF CONSTRUCTION

Monument 28



Monument 30



RECEIVED DEC 30 2015

PURPOSE: BEACH RESTORATION AND
ADVANCED MAINTENANCE FOR
FUTURE EROSION

ADJACENT PROPERTY OWNERS
SEE ATTACHED LIST

SURVEY DATUM: NAVD 88

FIGURE 10
MONUMENT 28 AND 30
BEACH FILL SECTIONS

DAUFUSKIE ISLAND BEACH
RENOURISHMENT PROJECT
NOT TO SCALE

DAUFUSKIE ISLAND BEACH
RENOURISHMENT PROJECT

PROPOSED: BEACH FILL ALONG OCEANFRONT
SHORELINE

AT: DAUFUSKIE ISLAND

IN: CALIBOGUE SOUND

COUNTY OF: BEAUFORT
SOUTH CAROLINA

SHEET: 4 OF 6

DATE: 01/15/2015

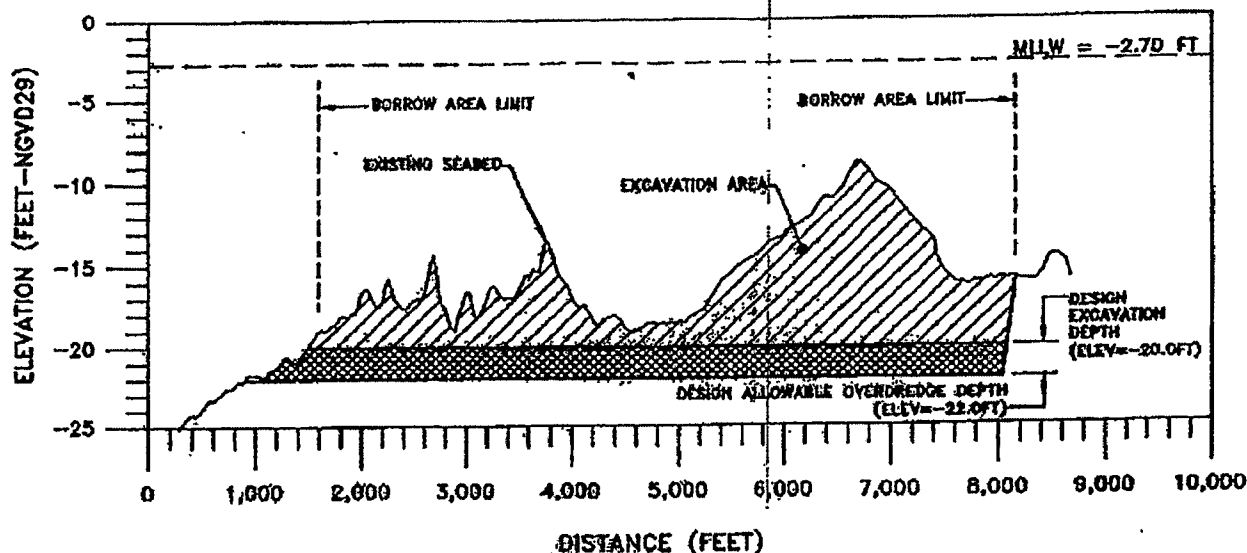
Complainant's Office

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2015 10 of 12

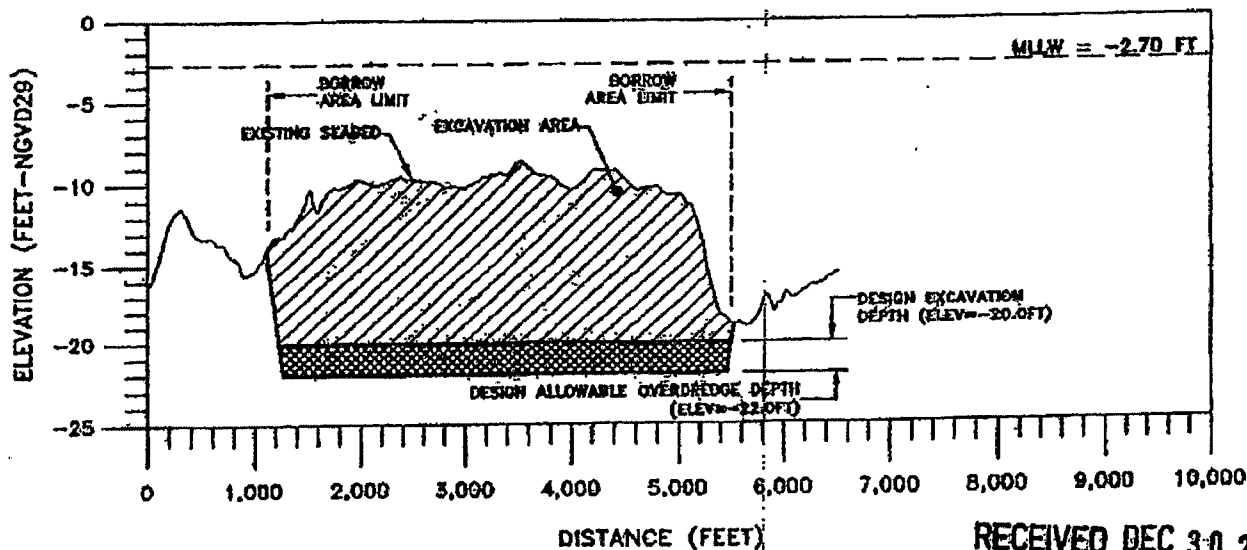
NOT FOR PURPOSES OF CONSTRUCTION

SECTION A-A' (BSA1)



**SEE SPECIAL
CONDITION(S)**

SECTION B-B' (BSA2)



RECEIVED DEC 30 2015

SOURCE: TOWN OF HILTON HEAD ISLAND 2015/16 BEACH RENOURISHMENT PROJECT PERMIT APPLICATION

PURPOSE: BEACH RESTORATION AND
ADVANCED MAINTENANCE FOR
FUTURE EROSION

ADJACENT PROPERTY OWNERS
SEE ATTACHED LIST

SURVEY DATUM: NAVD 88

FIGURE 6
BARRETT SHOALS
BORROW AREA SECTIONS

NOT TO SCALE

DAUFUSKIE ISLAND BEACH
RENOURISHMENT PROJECT

PROPOSED: BEACH FILL ALONG OCEANFRONT
SHORELINE

AT: DAUFUSKIE ISLAND

IN: CALIBOGUE SOUND

COUNTY OF: BEAUFORT
SOUTH CAROLINA

SHEET: 6 OF 8

DATE: 01/15/2015

Complainants 00034

DAUFUSKIE ISLAND UTILITY COMPANY, INC.
c/o GUASTELLA ASSOCIATES, LLC
6 Beacon Street, Suite 200
Boston, MA 02108
617-423-7878

December 10, 2015

Mr. J. Rene Josey, Esq.
Turner | Padgett
319 South Irby St.
P.O. Box 5476
Florence SC 29502

Re: Michael and Nancy Halwig
46 Driftwood Cottage Lane
TPGL File No.: 13926.101

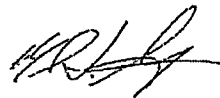
Dear Mr. Josey:

Daufuskie Island Utility Company (Company) will continue to preserve, maintain and provide service to all customers within its service area, including service to the Halwig property. The Driftwood service area has been and continues to be monitored daily regarding the erosion problem. In accordance with conversations with Mr. Crow and members of the Office of Regulatory Staff of South Carolina, we will continue to provide utility service as originally designed and in compliance with all regulatory requirements.

It is, however, the Halwig's responsibility for an alternative extension of mains and facilities to provide water and sewer service to their property, subject to our approval of the design and construction. The cost of any alternative would be the responsibility of the Halwigs, because it is not appropriate for the Company to incur such costs which would then be passed on to its other customers through the rate setting process. An alternative extension will be considered under the provisions of a 'Customer Main Extension Fee' contract, Reg. 103-502.3, "A fee paid by a customer under a contract entered into by and between the utility and its customer providing terms for the extension of the utility's mains to service the customer".

We would, of course, work with the Halwigs' contractor to accomplish an alternative extension from another location of our existing distribution system.

GUASTELLA ASSOCIATES, LLC
Manager of DIUC



Mike J. Guastella
Vice President-Operations

Complainants 00035

From: Crow, Ken <kcrow@centurygolf.com>
Sent: Wednesday, December 23, 2015 11:51 AM
To: Josey, J. Rene
Subject: Re: 46 Driftwood Cottage lane

Thank you for your email. I have notified the staff that the Halwig's are coming in today and to assist as much as possible.

I will touch base with you after our meetings next week.

Thanks,
 Ken

Sent from my iPhone

On Dec 23, 2015, at 11:35 AM, Josey, J. Rene <JJosey@TurnerPadget.com<mailto:JJosey@turnerpadget.com>> wrote:

Ken,

As we discussed earlier this week, here are some figures from Dr. Halwig regarding the economic impact to the Club of lost rentals for his home (in addition to the personal impact to him).

I think he makes a good point worthy of consideration.

This will confirm that you are meeting with the owner next week at Dafauskie to further review the situation and possible remedies. I understand that your visit may or may not overlap with the Halwig's week on the island but that you will let me know. Although you prefer that communications remain through me, you are willing to meet informally with Dr. Halwig if you visits overlap.

You promised to be sure the club manager knew of the Halwig's visit so that he could provide any reasonable assistance needed.

Thanks,

Rene'

[Description: Description: Description:
http://vcard.turnerpadget.com/TPLogo_H_Web70.jpg]<<http://www.turnerpadget.com/>>

J. Rene Josey
 Attorney
 PO Box 5478 | Florence, SC 29502
 319 South Irby Street | Florence, SC 29501
 843-656-4451 | Fax 843-413-5818
jjosey@turnerpadget.com<<mailto:jjosey@turnerpadget.com>>
 Bio<<http://www.turnerpadget.com/attorneys/details/j.-reene-josey/>> | vCard<<http://vcard.turnerpadget.com/JRJ.vcf>> |
 Location<<http://www.turnerpadget.com/firm/offices/florence/>>

46 Driftwood Cottage Lane

2015 Gross Rental Income-\$125,844.29

Total days rented-148

Total rental groups-31

Average guests per rental-9.2

Economic Impact to the Resort-\$68,080-\$136,160

(estimate of \$50.00-\$100.00 spent per guest/day)

The house has served as a "host" house for several weddings held at Melrose



APPROXIMATE LOCATION OF
46 DAIRYWOOD COTTAGE LANE

10/21/2015

Google Maps

Google Maps Google Maps



Map data ©2015 Google 50 ft

**SOUTH CAROLINA DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL
OFFICE OF OCEAN AND COASTAL RESOURCE MANAGEMENT**

GENERAL PERMIT

Permittee: Dr. Michael Halwig
Permit Number: OCRM00756
Date of Issuance: July 6, 2018
Expiration Date: July 6, 2019
Location: On and adjacent to the Atlantic Ocean at 36 Driftwood Lane, Daufuskie Island, Beaufort County, South Carolina.

**SEE SPECIAL
CONDITION(S)**

This permit is issued under the S.C. Coastal Zone Management Act of 1977 and the Final Rules and Regulations of SCDHEC OCRM. Please carefully read the project description and any special conditions that may appear on this permit/certification as they will affect the work that is allowed and may modify the work from that shown on the submitted plans. All special conditions attached to the permit will take precedent over submitted plans. If no special conditions have been placed on this permit, then the work is authorized as described in the project description and as modified by the general conditions. The general conditions are also a part of this permit and should be read in their entirety. **PLEASE CAREFULLY READ THE ENCLOSED "GUIDE TO BOARD REVIEW."**

DESCRIPTION OF PROJECT:

The plans submitted by you, attached hereto, show the authorized work consists of: The relocation and installation of water and sewer service lines and associated pumps. The lines will be approximately 620 LF of 1 1/2" force main and approximately 500 LF of 8" water main. This permit has been approved as stated, subject to the following conditions.

SPECIAL CONDITIONS:

1. Provided that the work is constructed in accordance with Attachment "A".
2. In the event that erosion results in the water lines, sewer lines, pump stations, or other associated infrastructure being located on the active beach as determined by Department staff, these materials must be removed immediately at the expense of the property owner.

PERMITTEE'S ATTENTION IS DIRECTED TO GENERAL CONDITIONS NUMBERS FOUR (4) AND FIVE (5). BY ACCEPTANCE OF THIS PERMIT, PERMITTEE IS PLACED ON NOTICE THAT THE STATE OF SOUTH CAROLINA, BY ISSUING THIS PERMIT, DOES NOT WAIVE ITS RIGHTS TO REQUIRE PAYMENT OF A REASONABLE FEE FOR USE OF STATE LANDS AT A FUTURE DATE IF SO DIRECTED BY STATUTE.

THE PERMITTEE, BY ACCEPTANCE OF THIS PERMIT AGREES TO ABIDE BY THE TERMS AND CONDITIONS CONTAINED HEREIN AND TO PERFORM THE WORK IN STRICT ACCORDANCE WITH THE PLANS AND SPECIFICATIONS ATTACHED HERETO AND MADE A PART HEREOF. ANY DEVIATION FROM THESE CONDITIONS, TERMS, PLANS, AND SPECIFICATIONS SHALL BE GROUNDS FOR REVOCATION, SUSPENSION OR MODIFICATION OF THIS PERMIT AND THE INSTITUTION OF SUCH LEGAL PROCEEDINGS AS SCDHEC OCRM MAY CONSIDER APPROPRIATE.

1 of 12

SEE SPECIAL
CONDITION(S)

OCRM00756

July 6, 2018

Your signature below, as permittee, indicates that you accept and agree to comply with the terms and conditions of this permit.

(PERMITTEE)

Dr. Michael Halwig

c/o Mr. Fred Sororian, Thomas and Hutton

(DATE)

This permit becomes effective when the State official, designated to act for the Office of Ocean and Coastal Resource Management, has signed below.

(CRITICAL AREA PROJECT MANAGER)

Trent D. Shaw

Other Authorized State Official

(DATE)

2 of 12

Complainants 00120

SEE SPECIAL
CONDITION(S)

GENERAL CONDITIONS:

This construction and use permit is expressly contingent upon the following conditions which are binding on the permittee:

1. The permittee, in accepting this permit, covenants and agrees to comply with and abide by the provisions and conditions herein and assumes all responsibility and liability and agrees to save OCRM and the State of South Carolina, its employees or representatives, harmless from all claims of damage arising out of operations conducted pursuant to this permit.
2. If the activity authorized herein is not constructed or completed within one year of the date of issuance, this permit shall automatically expire. A request, in writing, for an extension of time shall be made not less than thirty days prior to the expiration date.
3. All authorized work shall be conducted in a manner that minimizes any adverse impact on fish, wildlife and water quality.
4. This permit does not relieve the permittee from the requirements of obtaining a permit from the U. S. Army Corps of Engineers or any other applicable federal agency, nor from the necessity of complying with all applicable local laws, ordinances, and zoning regulations. This permit is granted subject to the rights of the State of South Carolina in the navigable waters and shall be subject, further, to all rights held by the State of South Carolina under the public trust doctrine as well as any other right the State may have in the waters and submerged lands of the coast.
5. This permit does not convey, expressly or impliedly, any property rights in real estate or material nor any exclusive privileges; nor does it authorize the permittee to alienate, diminish, infringe upon or otherwise restrict the property rights of any other person or the public; nor shall this permit be interpreted as appropriating public properties for private use.
6. The permittee shall permit OCRM or its authorized agents or representatives to make periodic inspections at any time deemed necessary in order to ensure that the activity being performed is in accordance with the terms and conditions of this permit.
7. Any abandonment of the permitted activity will require restoration of the area to a satisfactory condition as determined by OCRM.
8. This permit may not be transferred to a third party without prior written notice to OCRM, either by the transferee's written agreement to comply with all terms and conditions of this permit or by the transferee subscribing to this permit and thereby agreeing to comply.
9. If the display of lights and signals on any structure or work authorized herein is not otherwise provided for by law, such lights and special signals as may be prescribed by the United States Coast Guard shall be installed and maintained by and at the expense of the permittee.
10. The permit construction placard or a copy of the placard shall be posted in a conspicuous place at the project site during the entire period of work.
11. The structure or work authorized herein shall be in accordance with the permit, as issued, and shall be maintained in good condition. Failure to build in accordance with the permit, as issued, or failure to maintain the structure in good condition, shall result in the revocation of this permit.
12. The authorization for activities or structures herein constitutes a revocable license. OCRM may require the permittee to modify activities or remove structures authorized herein if it is determined by OCRM that such activity or structures violates the public's health, safety, or welfare, or if any activity is inconsistent with the public trust doctrine. Modification or removal under this condition shall be ordered only after reasonable notice stating the reasons therefore and provision to the permittee of the opportunity to respond in writing. When the Permittee is notified that OCRM intends to revoke the permit, Permittee agrees to immediately stop work pending resolution of the revocation.
13. OCRM shall have the right to revoke, suspend, or modify this permit in the event it is determined the permitted structure (1) significantly impacts the public health, safety and welfare, and/or is violation of Section 48-39-150, (2) adversely impacts public rights, (3) that the information and data which the permittee or any other agencies have provided in connection with the permit application is either false, incomplete or inaccurate, or (4) that the activity is in violation of the terms and/or conditions, including any special conditions of the permit. That the permittee, upon receipt of OCRM's written intent to revoke, suspend, or modify the permit has the right to a hearing. Prior to

3 of 12

**SEE SPECIAL
CONDITION(S)**

revocation, suspension, or modification of this permit, OCRM shall provide written notification of intent to revoke to the permittee, and permittee can respond with a written explanation to OCRM. (South Carolina Code Section 1-23-370 shall govern the procedure for revocation, suspension or modification herein described).

14. Any modification, suspension or revocation of this permit shall not be the basis of any claim for damages against OCRM or the State of South Carolina or any employee, agent, or representative of OCRM or the State of South Carolina.
15. All activities authorized herein shall, if they involve a discharge or deposit into navigable waters or ocean waters, be at all times consistent with all applicable water quality standards, effluent limitations and standards of performance, prohibitions, and pretreatment standards established pursuant to applicable federal, state and local laws.
16. Extreme care shall be exercised to prevent any adverse or undesirable effects from this work on the property of others. This permit authorizes no invasion of adjacent private property, and OCRM assumes no responsibility or liability from any claims of damage arising out of any operations conducted by the permittee pursuant to this permit.

ATTACHMENT A

SCDHEC-OCRM GENERAL PERMIT
GP-90-ASEE SPECIAL
CONDITION(S)

WORK: Installation or Repair of Underground and Overhead Water, Sewer, Gas, Electrical, Telephone, and Cable Service Lines.

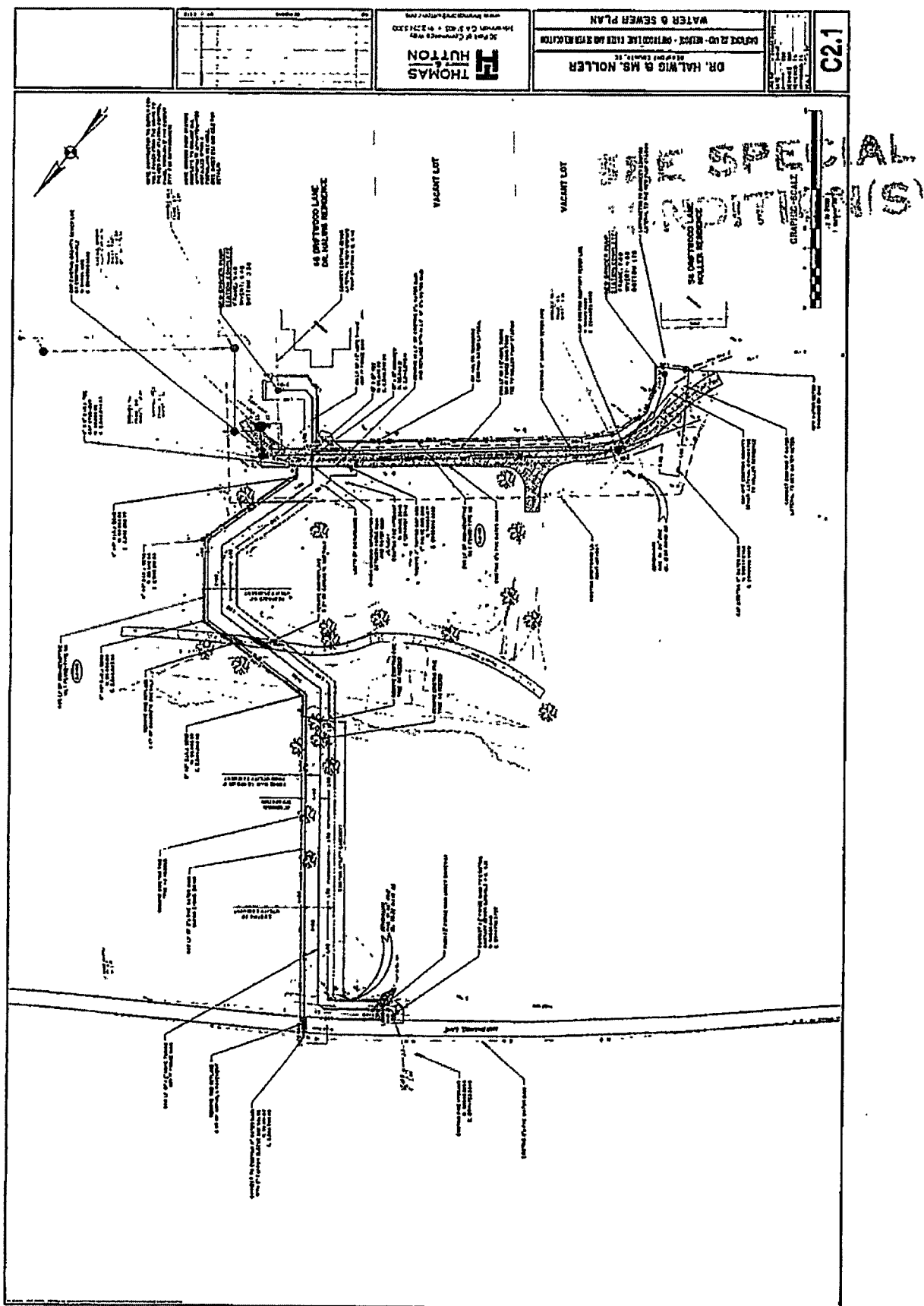
LOCATION: Within the area between the setback line and the baseline in the counties of Horry, Georgetown, Charleston, Colleton, Beaufort, and Jasper.

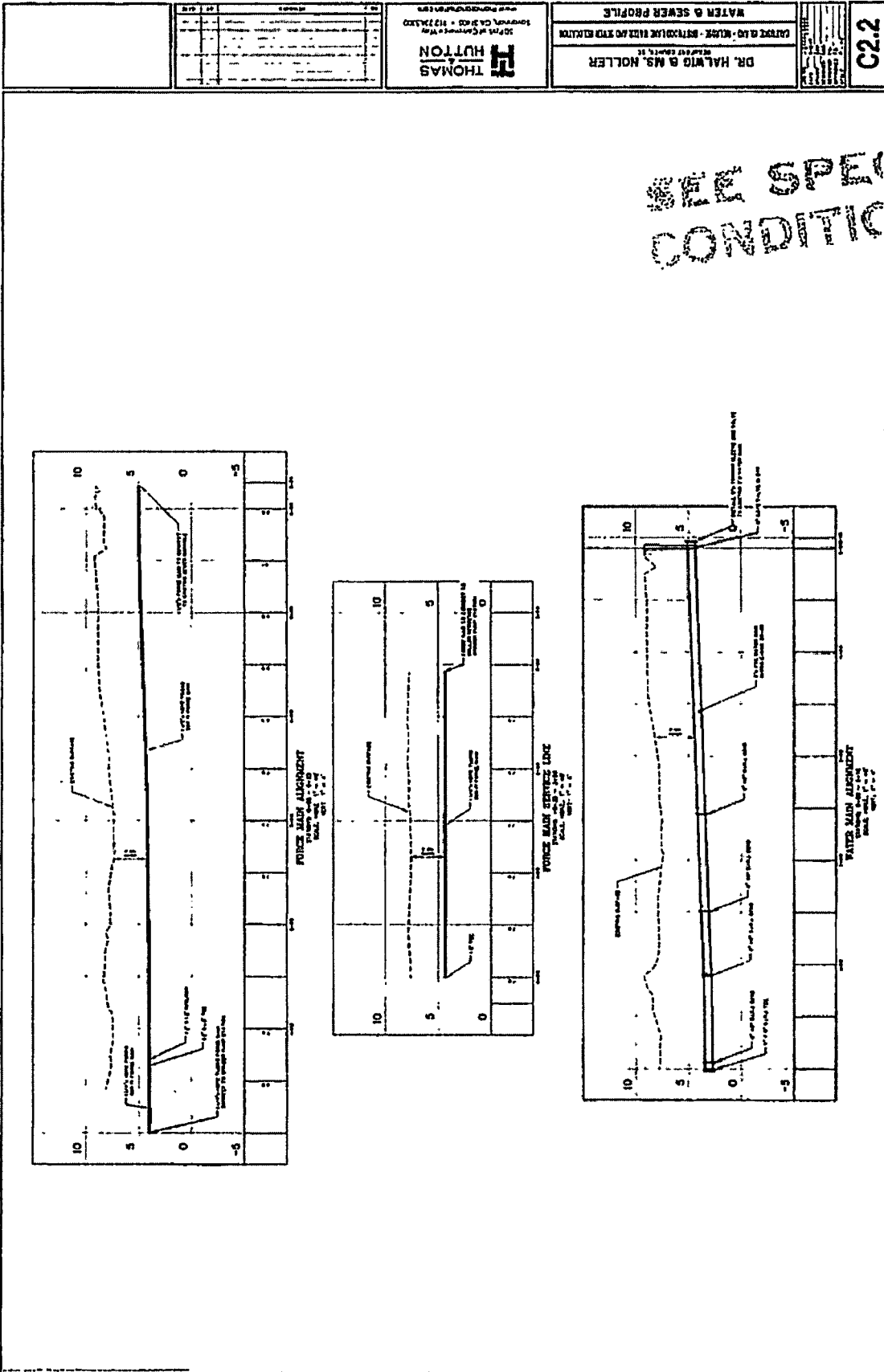
DESCRIPTION: The placement, maintenance, repair, and replacement of service lines are allowed under this general permit provided that the following conditions are met:

1. All service lines shall be located as far landward as possible on each individual lot.
2. Lines, junction boxes, poles, and accessory features will be relocated landward as far as possible in the event there is a need for replacement.
3. Dunes allowed to be altered during construction shall be reconfigured and revegetated to preconstruction conditions.
4. All work shall be in compliance with applicable local ordinances.
5. A comprehensive plan for new or replacement utilities shall be approved in writing by OCRM.

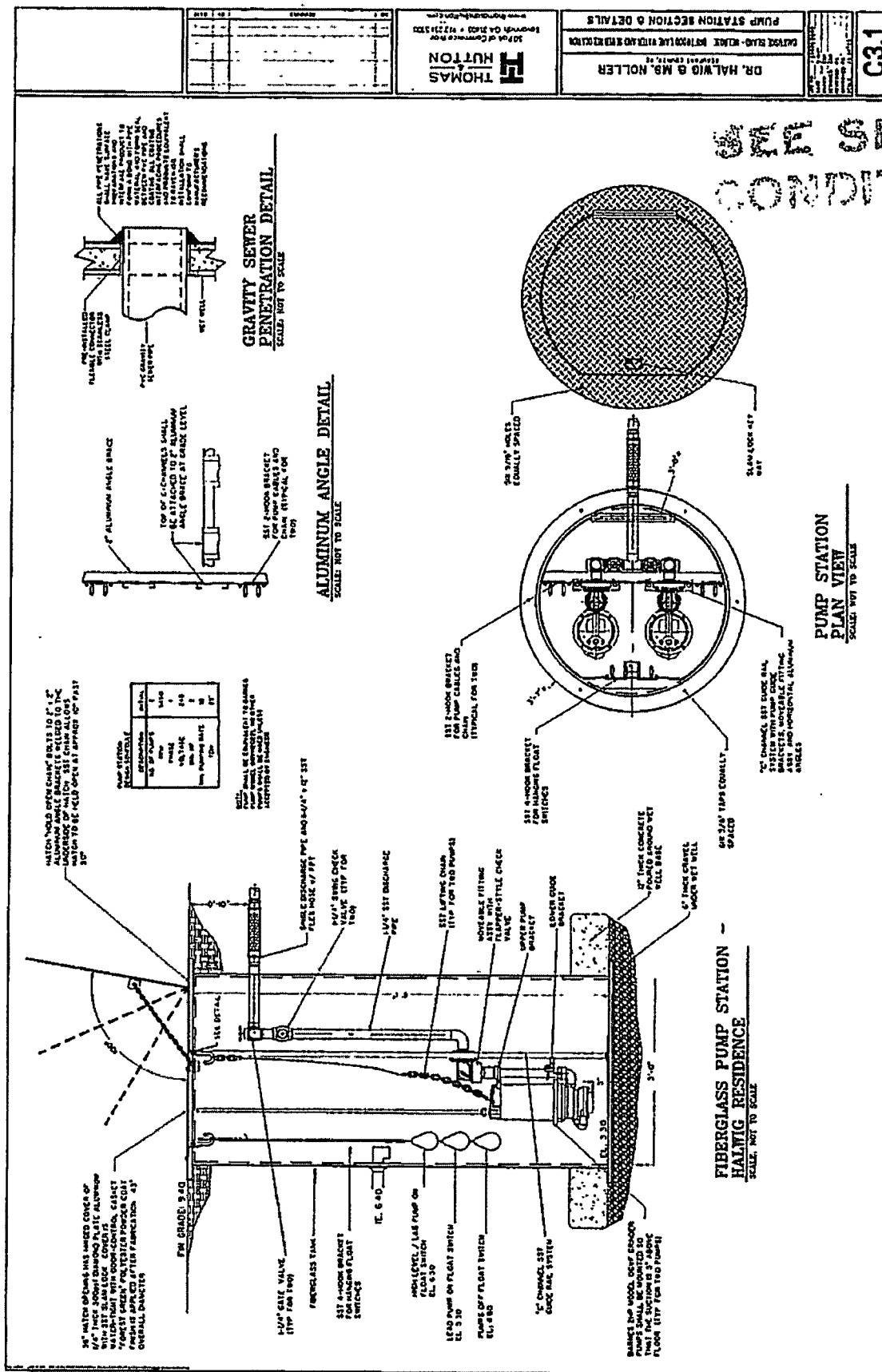
ATTACHMENT A


ATTACHMENT A





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THOMAS HUTTON
10000 1st Avenue, North
St. Louis, MO 63143
Phone (314) 733-1000

DR. HALWIG & MS. HOLLER
RESEARCH & DEVELOPMENT
10000 1st Avenue, North
St. Louis, MO 63143
Phone (314) 733-1000

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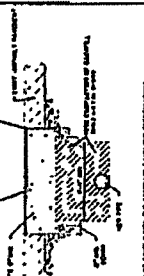
SEE SPECIFICATIONS

P98
GRAVEL DRIVEWAY REPLACEMENT
OCT 2014



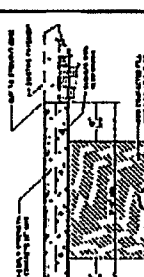
1. Add gravel to existing driveway to match existing depth.
2. Add gravel to existing driveway to match existing depth.
3. Add gravel to existing driveway to match existing depth.

P97
ASPHALT DRIVEWAY REPLACEMENT
OCT 2014

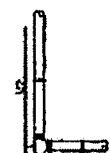


1. Add gravel to existing driveway to match existing depth.
2. Add gravel to existing driveway to match existing depth.
3. Add gravel to existing driveway to match existing depth.

P95
CONCRETE DRIVEWAY REPLACEMENT
OCT 2014

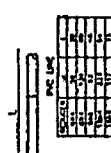


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TEE RESTRAINT (PVC LINED)

RESTRAINT LENGTH (ft)	RESTRAINT WIDTH (ft)	RESTRAINT HEIGHT (ft)	RESTRAINT WEIGHT (lb)
1	1	1	1
2	2	2	2
3	3	3	3
4	4	4	4
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9	9	9	9
10	10	10	10



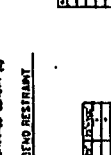
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6	6	6	6
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9	9	9	9
10	10	10	10



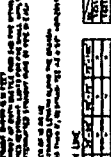
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TEE RESTRAINT (PVC LINED)

RESTRAINT LENGTH (ft)	RESTRAINT WIDTH (ft)	
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South Carolina Board of Health and Environmental Control

Guide to Board Review

Pursuant to S.C. Code Ann. § 44-1-60

The decision of the South Carolina Department of Health and Environmental Control (Department) becomes the final agency decision fifteen (15) calendar days after notice of the decision has been mailed to the applicant, permittee, licensee and affected persons who have requested in writing to be notified, unless a written request for final review accompanied by a filing fee in the amount of \$100 is filed with Department by the applicant, permittee, licensee or affected person.

Applicants, permittees, licensees, and affected parties are encouraged to engage in mediation or settlement discussions during the final review process.

If the Board declines in writing to schedule a final review conference, the Department's decision becomes the final agency decision and an applicant, permittee, licensee, or affected person may request a contested case hearing before the Administrative Law Court within thirty (30) calendar days after notice is mailed that the Board declined to hold a final review conference. In matters pertaining to decisions under the South Carolina Mining Act, appeals should be made to the South Carolina Mining Council.

1. Filing of Request for Final Review

1. A written Request for Final Review (RFR) and the required filing fee of one hundred dollars (\$100) must be received by Clerk of the Board within fifteen (15) calendar days after notice of the staff decision has been mailed to the applicant, permittee, licensee, or affected persons. If the 15th day occurs on a weekend or State holiday, the RFR must be received by the Clerk on the next working day. RFRs will not be accepted after 5:00 p.m.
2. RFRs shall be in writing and should include, at a minimum, the following information:
 - The grounds for amending, modifying, or rescinding the staff decision;
 - a statement of any significant issues or factors the Board should consider in deciding how to handle the matter;
 - the relief requested;
 - a copy of the decision for which review is requested; and
 - mailing address, email address, if applicable, and phone number(s) at which the requestor can be contacted.
3. RFRs should be filed in person or by mail at the following address:
 South Carolina Board of Health and Environmental Control
 Attention: Clerk of the Board
 2600 Bull Street
 Columbia, South Carolina 29201
 Alternatively, RFR's may be filed with the Clerk by facsimile (803-898-3393) or by electronic mail (boardclerk@dhcc.sc.gov).
4. The filing fee may be paid by cash, check or credit card and must be received by the 15th day.
5. If there is any perceived discrepancy in compliance with this RFR filing procedure, the Clerk should consult with the Chairman or, if the Chairman is unavailable, the Vice-Chairman. The Chairman or the Vice-Chairman will determine whether the RFR is timely and properly filed and direct the Clerk to (1) process the RFR for consideration by the Board or (2) return the RFR and filing fee to the requestor with a cover letter explaining why the RFR was not timely or properly filed. Processing an RFR for consideration by the Board shall not be interpreted as a waiver of any claim or defense by the agency in subsequent proceedings concerning the RFR.
6. If the RFR will be processed for Board consideration, the Clerk will send an Acknowledgement of RFR to the Requestor and the applicant, permittee, or licensee, if other than the Requestor. All personal and financial identifying information will be redacted from the RFR and accompanying documentation before the RFR is released to the Board, Department staff or the public.
7. If an RFR pertains to an emergency order, the Clerk will, upon receipt, immediately provide a copy of the RFR to all Board members. The Chairman, or in his or her absence, the Vice-Chairman shall based on the circumstances, decide whether to refer the RFR to the RFR Committee for expedited review or to decline in writing to schedule a Final Review Conference. If the Chairman or Vice-Chairman determines review by the RFR Committee is appropriate, the Clerk will forward a copy of the RFR to Department staff and Office of General Counsel. A Department response and RFR Committee review will be provided on an expedited schedule defined by the Chairman or Vice-Chairman.
8. The Clerk will email the RFR to staff and Office of General Counsel and request a Department Response within eight (8) working days. Upon receipt of the Department Response, the Clerk will forward the RFR and Department Response to all Board members for review, and all Board members will confirm receipt of the RFR to the Clerk by email. If a Board member does not confirm receipt of the RFR within a twenty-four (24) hour period, the Clerk will contact the Board member and confirm receipt. If a Board member believes the RFR should be considered by the RFR Committee, he or she will

Rev 2, 05/08/2014

respond to the Clerk's email within forty-eight (48) hours and will request further review. If no Board member requests further review of the RFR within the forty-eight (48) hour period, the Clerk will send a letter by certified mail to the Requestor, with copy by regular mail to the applicant, permittee, or licensee, if not the Requestor, stating the Board will not hold a Final Review Conference. Contested case guidance will be included within the letter.

NOTE: If the time periods described above end on a weekend or State holiday, the time is automatically extended to 5.00 p.m. on the next business day

9. If the RFR is to be considered by the RFR Committee, the Clerk will notify the Presiding Member of the RFR Committee and the Chairman that further review is requested by the Board. RFR Committee meetings are open to the public and will be public noticed at least 24 hours in advance.
10. Following RFR Committee or Board consideration of the RFR, if it is determined no Conference will be held, the Clerk will send a letter by certified mail to the Requestor, with copy by regular mail to the applicant, permittee, or licensee, if not the Requestor, stating the Board will not hold a Conference. Contested case guidance will be included within the letter.

II. Final Review Conference Scheduling

1. If a Conference will be held, the Clerk will send a letter by certified mail to the Requestor, with copy by regular mail to the applicant, permittee, or licensee, if not the Requestor, informing the Requestor of the determination.
2. The Clerk will request Department staff provide the Administrative Record.
3. The Clerk will send Notice of Final Review Conference to the parties at least ten (10) days before the Conference. The Conference will be publically noticed and should:
 - include the place, date and time of the Conference;
 - state the presentation times allowed in the Conference;
 - state evidence may be presented at the Conference;
 - if the conference will be held by committee, include a copy of the Chairman's order appointing the committee; and
 - inform the Requestor of his or her right to request a transcript of the proceedings of the Conference prepared at Requestor's expense.
4. If a party requests a transcript of the proceedings of the Conference and agrees to pay all related costs in writing, including costs for the transcript, the Clerk will schedule a court reporter for the Conference.

III. Final Review Conference and Decision

1. The order of presentation in the Conference will, subject to the presiding officer's discretion, be as follows:
 - Department staff will provide an overview of the staff decision and the applicable law to include [10 minutes]:
 - Type of decision (permit, enforcement, etc.) and description of the program.
 - Parties
 - Description of facility/site
 - Applicable statutes and regulations
 - Decision and materials relied upon in the administrative record to support the staff decision.
 - Requestor(s) will state the reasons for protesting the staff decision and may provide evidence to support amending, modifying, or rescinding the staff decision. [15 minutes] *NOTE: The burden of proof is on the Requestor(s)*
 - Rebuttal by Department staff [15 minutes]
 - Rebuttal by Requestor(s) [10 minutes]

Note: Times noted in brackets are for information only and are superseded by times stated in the Notice of Final Review Conference or by the presiding officer.
2. Parties may present evidence during the conference; however, the rules of evidence do not apply.
3. At any time during the conference, the officers conducting the Conference may request additional information and may question the Requestor, the staff, and anyone else providing information at the Conference.
4. The presiding officer, in his or her sole discretion, may allow additional time for presentations and may impose time limits on the Conference.
5. All Conferences are open to the public.
6. The officers may deliberate in closed session.
7. The officers may announce the decision at the conclusion of the Conference or it may be reserved for consideration
8. The Clerk will mail the written final agency decision (FAD) to parties within 30 days after the Conference. The written decision must explain the basis for the decision and inform the parties of their right to request a contested case hearing before the Administrative Law Court or in matters pertaining to decisions under the South Carolina Mining Act, to request a hearing before the South Carolina Mining Council. The FAD will be sent by certified mail, return receipt requested.
9. Communications may also be sent by electronic mail, in addition to the forms stated herein, when electronic mail addresses are provided to the Clerk.

The above information is provided as a courtesy; parties are responsible for complying with all applicable legal requirements.

Rev 2, 05/08/2014

Daufuskie Island Utility Company, Inc.

725 N. Hwy A1A, Suite B103, Jupiter, FL 33477
888-635-7878

BY EMAIL

August 22, 2018

Mr. Fred Sororian
Thomas & Hutton
50 Park of Commerce Way
Savannah, GA 31405

Re: "Operations and Maintenance" Letter
36 & 46 Driftwood Cottage Ln

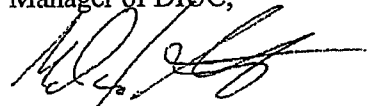
Mr. Sororian,

In Response to your request, DIUC is providing this letter in regards to the plans for construction of new water and sewer facilities, to serve 36 & 46 Driftwood Cottage Ln.

DIUC has reviewed the previously submitted plans. If the facilities are constructed as designed, DIUC will operate and maintain the facilities according to current operating requirements. According to the plans, the new facilities will be within the Utilities service area and its capacity to serve. Upon completion DIUC will inspect the new facilities.

This letter is not an approval of any completed construction and cannot supersede any previously signed agreements or state regulatory requirements. All construction must adhere to permitted requirements, which must be disclosed to DIUC.

GUASTELLA ASSOCIATES, LLC
Manager of DIUC,



Mike J. Guastella
Vice President- Operations

Daufuskie Island Utility Company, Inc.

725 N. Hwy A1A, Suite B103, Jupiter, FL 33477
888-635-7878

BY EMAIL

August 22, 2018

Mr. Fred Sororian
Thomas & Hutton
50 Park of Commerce Way
Savannah, GA 31405

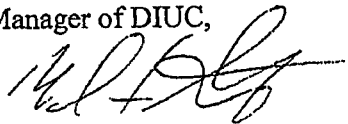
Re: "Willingness and Ability" to Serve Letter
36 & 46 Driftwood Cottage Ln

Mr. Sororian,

In Response to your request, DIUC has reviewed previously submitted plans for new water and sewer facilities, to serve the customers at 36 & 46 Driftwood Cottage Ln. According to the plans provided, the new facilities will be within DIUC's current service area and capacity.

DIUC is willing and able to provide services according to the proposed plans. If the project design changes, this letter is void and a new "Willingness and Ability" to serve letter must be issued. This letter does not qualify as an approval of newly constructed facilities and can not supersede any state regulatory requirements and/or previously signed agreements.

GUASTELLA ASSOCIATES, LLC
Manager of DIUC,



Mike J. Guastella
Vice President- Operations

Request for Periodic Payment

3-Final

PINCO

OWNER: Halwig & Noller
 PROJECT: Melrose - Driftwood Cottage Lane Water
 and Sewer Relocation

DATE: 09/28/18
 Period Thru: August 28, 2018

ANALYSIS OF PAYMENT ESTIMATE

SCHEDULE OF PREVIOUS PAY REQUESTs		
NO.	DATE	AMOUNT
01	12/22/2017	42,532.20
02	8/10/2018	29,111.98
TOTAL		71,644.18

ITEM	AMOUNT
A. ORIGINAL CONTRACT SUM	\$ 65,349.00
B. Net Change by Change Orders	\$ 11,138.72
C. CONTRACT SUM TO DATE	\$ 76,487.72

(1) Original Contract Work Completed	65,350.00
(2) Change Order Work (included in this Pay Request)	10,655.00
(3) Total Work Completed to Date (less Summary CO)	99.4% 76,005.00
(4) Materials Stored	0.00
(5) Total Work Completed and Materials Stored	76,005.00
(6) Less Retainage	0.00
(7) Cumulative Payment Due	76,005.00
(8) Less Previous Pay Requests	71,644.18
(9) Balance Due This FINAL Pay Request	4,360.82

I certify that to the best of my knowledge and belief all items and amounts herein are correct; that all work has been performed and/or material supplied in conformance with the contract, and that the balance due is appropriate for payment.

CONTRACTOR:

PINCO

BY:

DATE:

10/4/2018

APPROVED BY:

BY:

B. SCHEDULE OF CONTRACT CHANGE ORDERS

CHANGE ORDER		DESCRIPTION	MODIFICATIONS TO ORIGINAL CONTRACT PRICE TOTAL CHANGE COST OF WORK		FROM ORIGINAL CONTRACT
NO.	DATE		COST	COMPLETED	PRICE
1		ReMobilize and	10,655		\$10,655.00
2		Summary CO Paid directly to PINCO not paid thru the trust account nor Included in these apy requests	483.72		\$483.72 \$0.00
TOTALS					\$11,138.72

Supplemental Schedule

PINCO

Period Thru: August 28, 2018

Melrose, 36 & 46 Driftwood Cottage Lane

Pay Request No. 03-F

Line Item	DESCRIPTION	Contract Quantity	Unit Price	Total Price	This Month Quantity	This Month \$ Amount	Previous Quantity	Previous \$ Amount	To Date Quantity	To Date \$ Amount	Percent Complete
1	Mobilization / DeMobilization	Lump Sum	\$ 11,700.00	\$ 11,700.00	0	\$ -	1	\$ 11,700.00	1	\$ 11,700.00	100.00%
2	Erosion Control	Lump Sum	\$ 1,200.00	\$ 1,200.00	0	\$ -	1	\$ 1,200.00	1	\$ 1,200.00	100.00%
3	8" PVC water Main	507	\$ 29.58	\$ 14,997.06	0	\$ -	533	\$ 15,766.14	507	\$ 14,997.06	100.00%
4	1.5" HDPE Force Main	550	\$ 12.55	\$ 6,902.50	0	\$ -	542	\$ 6,802.10	550	\$ 6,902.50	100.00%
5	1.25" HDPE Force Main	360	\$ 15.14	\$ 5,450.40	0	\$ -	346	\$ 5,238.44	360	\$ 5,450.40	100.00%
6	2 Grinder Stations Installation	Lump Sum	\$ 4,600.00	\$ 4,600.00	0	\$ -	1	\$ 4,600.00	1	\$ 4,600.00	100.00%
7	Connect 2 grinder station to lateral	Lump Sum	\$ 2,550.00	\$ 2,550.00	0	\$ -	1	\$ 2,550.00	1	\$ 2,550.00	100.00%
8	Cap Existing Sewers	1	\$ 900.00	\$ 900.00	0	\$ -	1	\$ 900.00	1	\$ 900.00	100.00%
9	Cap Existing 8" Water-Main	1	\$ 1,150.00	\$ 1,150.00	0	\$ -	1	\$ 1,150.00	1	\$ 1,150.00	100.00%
10	Connect 1.5" FM to Ext. MH	1	\$ 2,300.00	\$ 2,300.00	0	\$ -	1	\$ 2,300.00	1	\$ 2,300.00	100.00%
11	Connect new 8" to existing WtrMain	1	\$ 6,600.00	\$ 6,600.00	0	\$ -	1	\$ 6,600.00	1	\$ 6,600.00	100.00%
12	Electrical Connection	1	\$ 7,000.00	\$ 7,000.00	0	\$ -	1	\$ 7,000.00	1	\$ 7,000.00	100.00%
	Sub Total	-	\$ -	\$ 65,349.00		\$ -		\$ 65,349.00	0	\$ -	
	Change Order 01	-	\$ -	\$ -		\$ -		\$ -	0	\$ -	
1	Re-connect sewer line	LS	\$ 875.00	\$ 875.00	0	\$ -	1	\$ 875.00	1	\$ 875.00	100.00%
2	Connect waterline	LS	\$ 1,275.00	\$ 1,275.00	0	\$ -	1	\$ 1,275.00	1	\$ 1,275.00	100.00%
3	Re-mobilize and De-Mobilize	LS	\$ 4,310.00	\$ 4,310.00	0.25	\$ 1,077.50	0.75	\$ 3,232.50	1	\$ 4,310.00	100.00%
4	Added Legal Fees	3	\$ 300.00	\$ 900.00	0	\$ -	3.2	\$ 960.00	3	\$ 900.00	100.00%
5	Re-Excavate pipe ends	LS	\$ 1,670.00	\$ 1,670.00	0	\$ -	1	\$ 1,670.00	1	\$ 1,670.00	100.00%
6	Continue Search & Full Flush	LS	\$ 1,625.00	\$ 1,625.00	0	\$ -	1	\$ 1,625.00	1	\$ 1,625.00	100.00%
	Sub-Total			\$ 10,655.00		\$ 1,077.50		\$ 9,637.50	0	\$ -	
	Summary Change Order 02	LS	\$ 483.72	\$ 483.72		\$ 483.72		\$ -	0	\$ -	100%
	TOTAL			\$ 76,487.72		\$ 1,077.50		\$ 75,444.18	0	\$ -	

Complainants 00134

THOMAS & HUTTON

50 PARK OF COMMERCE WAY | SAVANNAH, GA 31405
912.234.5300 | WWW.THOMASANDHUTTON.COM

August 30, 2018

Stephanie White
DHEC, Bureau of Water
2600 Bull Street
Columbia, SC 29201

Re: Daufuskie Island – Melrose – Driftwood Lane
Water and Sewer Relocations
Permit Number:
Wastewater System: 41282-WW
Water System: 32996-WS

To Whom It May Concern:

We have reviewed the Daufuskie Island – Melrose – Driftwood Lane Water and Sewer Relocations construction. It is complete and in general accordance with the approved plans and specifications based upon periodic site visits and final review to the best of my knowledge, information, and belief.

Sincerely,



Allen Christopher Stovall, PE

NOTICE OF FINAL ACCEPTANCE

CONTRACTOR Pinholster Construction, LLC dba PINCO

PROJECT: Daufuskie Island - Melrose - Dirftwood Lane Water and Sewer Relocation

OWNER: Stephen A. Noller and Beverly P. Noller, and Dr. John M. Halwig and Nancy D. Halwig


PROJECT NO.:

ENGINEER: Thomas and Hutton

DATE: September 28, 2018

Gentlemen:

Based upon our final inspection of the work, we have found the work performed to be complete and in conformance with the contract documents. Therefore, the OWNER and END USER hereby accepts the work performed and responsibility for regular maintenance of same. This acceptance does not in any way relieve you, as the contractor, of any special maintenance requirements or guarantees as stipulated in the contract documents. You are also hereby informed that the 12-month warranty period as stipulated in the contract shall expire at 11:59 p.m., 08/23/19 except for those items previously completed and accepted as enumerated any earlier dated substantial completion notices.



Project Engineer

THIS UTILITY LINE EASEMENT (this "Agreement"), made this 26th day of October, 2018 by and between **REDFISH HOLDINGS, LLC** of the County of Beaufort and State of South Carolina, hereinafter called "Grantor" (whether singular or plural), and **DAUFUSKIE ISLAND UTILITY COMPANY, INC.**, having its principal office at 725 North Highway A1A, Suite B, Jupiter, FL 33477, its successors and assigns, hereinafter called "Grantee", for the benefit of Michael Halwig, Nancy Halwig, Beverly Noller and Stephen Noller (together the "Owners").

ARTICLE 1
CREATION AND GRANT OF EASEMENTS

1.01 In consideration of the monetary sum of One Dollar (\$1.00) and certain other non-monetary consideration received from Grantee and Owner, Grantor hereby establishes, grants and conveys to Grantee, its successors and assigns, a non-exclusive perpetual commercial easement in gross, subject to the terms set forth herein, with the right, privilege and authority, from time to time, to enter upon, inspect, operate, replace, repair and perpetually maintain, subject to the terms set forth herein, through the portion of real property owned by Grantor as specifically and particularly described in **EXHIBIT A** attached hereto and made a part hereof (the “**Burdened Property**”), in the area described in **EXHIBIT B** (the “**Utility Easement Area**”) and shown on **ATTACHMENT 1** (“Record Drawing C2.1”) attached hereto and made a part hereof, underground conduit(s) or line(s) consisting of the piping for the purpose of providing essentially necessary water and sewer service to the real property (the “**Utility Lines**”) and improvements now or hereafter located on the real property described in **EXHIBIT C** attached hereto and made a part hereof (the “**Benefitted Property**”) which Benefitted Property is owned by the Owners, together with the reasonable right of ingress, egress and access to and from such Utility Easement Area over that portion of the Burdened Property as reasonably designated by Grantor, as may be reasonably necessary for the purposes connected therewith but consistent with the terms hereof.

TOGETHER WITH all and singular the rights, members, hereditaments and appurtenances to the Basements belonging or in anywise incident or appertaining.

TO HAVE AND TO HOLD, subject to the terms and conditions set forth herein all and singular the easements unto Grantee and its successors and assigns, subject to the terms hereof.

ARTICLE 2

MISCELLANEOUS PROVISIONS

2.01 Access to the Utility Easement Area pursuant to this Agreement shall be coordinated with and subject to the advance written approval the Grantor or its designee, which approval shall not be unreasonably withheld, and shall not interrupt golfers or golf course maintenance and grounds activities without the prior express written authorization and upon timely pre-notification for emergency repairs as provided herein. Scheduled maintenance shall be timed to prevent disruption of use of the golf course, and shall begin only after the last golfers have

played past the Utility Easement Area and shall be completed prior to the start of play the following day. Normal routine maintenance shall be scheduled to occur during non-peak golf season, which is June 1 through September 1. Normal routine maintenance shall be initiated only after written notification to the Grantor or its designee five (5) business days prior to the proposed repair, shall occur only during week days, beginning after the last golfers have played past the Utility Easement Area and shall be completed prior to the start of play the following day. Emergency repair service activities may be initiated immediately upon written notice to the Grantor or its designee.

Written notice to the Grantor shall be provided via overnight delivery and email to:

Address for Overnight Delivery: REDFISH HOLDINGS, LLC
c/o LVH Partners, LLC
1535 Elston Avenue, Chicago IL 60642-2421,
ATTN: Arie Zoller
Email: zoller@lvhpartners.com

In the event the Grantor wishes Grantee to provide written notice to a designee of Grantor or to Grantor and one additional party, grantor may so designate by providing written notice of the same via overnight delivery and email to:

Address for Overnight Delivery: DAUFUSKIE ISLAND UTILITY CO., INC.
725 North Highway A1A
Suite B103
Jupiter, FL 33477
Email: admin@Dlutility.com

Any excavation activities necessary for maintenance of the utility lines must be pre-approved in writing by Grantor, include a drawing showing the area to be excavated and the irrigation lines or other golf course improvements in the vicinity of such excavations, and scheduled consistent with the guidelines above to the maximum extent practicable to prevent disruption of golfers using the golf course. Grantee may not trim, cut or remove trees, underbrush and other obstructions that are within, over, under or through the Utility Easement Area without express written authorization, from Grantor. Any damage to the property of Grantor caused by Grantee in maintaining or repairing said utility lines shall be immediately repaired by Grantee at its sole cost and expense; provided further, however, that except as may specifically be agreed to between Grantor and Grantee from time to time by separate written instrument, Grantor agrees for itself, its successors and assigns, not to build or allow any building or road to be placed within the Utility Easement Area.

2.02 All maintenance and repair of the Utility Lines shall be at the sole cost and expense of Grantee and Owners. All such work shall be conducted in a good and workmanlike manner and the Burdened Property shall be returned to the same condition it was prior to access by Grantee. Grantor shall reasonably designate and Grantee shall comply with the designation of an ingress/egress path for access to the Utility Easement Area.

2.03 Grantee and Owners, and their respective successors and assigns, shall indemnify, defend, and hold Grantor, its successors and assigns, harmless from and against all claims, costs, expenses, judgments or actions (including reasonable attorney's fees) arising from or related to the

easements granted herein, the Utility Easement Area, or the Utility Lines, by Grantee and/or Owners, their respective agents, contractors, tenants, employees, licensees and/or invitees, except to the extent caused by the gross negligence or intentional misconduct of Grantor.

2.04 Nothing herein shall be construed as a grant to the general public. The easements granted herein are not intended to benefit parcels of land other than the Benefitted Property without the consent in writing, in recordable form, of Grantor, Grantee, and Owners or their successors and assigns.

2.05 The easements and other rights and benefits granted in this Agreement are non-exclusive, and Grantor reserves and retains the right to use the Utility Easement Area and to convey similar rights and easements to such other persons or entities as it may deem proper provided such subsequent conveyances do not interfere with the easements and other rights and benefits granted in this Agreement.

2.06 If any provision of this Agreement is determined to be invalid, such determination shall not affect the validity or effect of the remaining provisions of this Agreement, all of which shall continue in effect as if such invalid provision had not been included in this Agreement.

2.07 This Agreement shall bind and inure to the benefit of Grantor, Grantee, and Owners and their respective successors and assigns.

2.08 It is intended that the benefits and burdens of the easements granted herein shall run with title to the Benefitted Property and the Burdened Property. This Agreement may be amended, modified or terminated only by recorded written instrument duly executed and acknowledged by Grantor, Grantee, and Owner, or their respective successors and/or assigns as owners of the subject parcels. No waiver of any of the terms or conditions of this instrument shall be binding or effective unless expressed in writing and signed by the party giving such waiver. Time is of the essence in this Agreement.

2.09 This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument.

2.10 This Agreement shall be recorded in the land records of the county in which the Benefitted Property and the Burdened Property are located.

2.11 In the event of litigation relating to the enforcement of rights under this Agreement, the prevailing party shall be entitled to recover from the non-prevailing party all litigation costs and expenses, including reasonable attorneys' fees and court costs.

2.12 Grantor may relocate this easement and utility lines therein at its sole cost and expense.

IN WITNESS WHEREOF, Grantor and Grantee have caused this Agreement to be duly executed as of the day and year first above written.

WITNESS:
[Signature]
1st Witness

GRANTOR
REDFISH HOLDINGS, LLC

By: [Signature]
(SEAL)
Printed Name: ARSE ZULER
Title: Manager

[Signature]
2nd Witness

Illinois
STATE OF ~~SOUTH CAROLINA~~)
COUNTY OF ~~BEAUFORT~~ Cook)

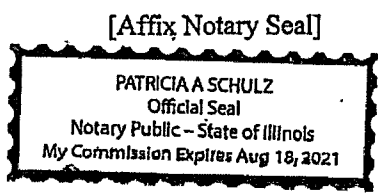
Acknowledgement

The foregoing instrument was acknowledged before me by REDFISH HOLDINGS, LLC by Arse Zuler, its Manager, this 8 day of June, 2018.

[Signature] (SEAL)
Notary Public for ~~South Carolina~~ Illinois

My Commission Expires: _____

Printed Name of Notary Public:
Patricia A Schulz



WITNESS:

[Signature]
1st Witness

[Signature]
2nd Witness

GRANTEE
DAUFUSKIE ISLAND UTILITY
COMPANY, INC.

By: [Signature]
(SEAL)
Printed Name: MIKE GUASTELLA
Title: MANAGER

New Mexico
STATE OF ~~SOUTH CAROLINA~~)
Bernalillo)
COUNTY OF ~~BEAUFORT~~)

Acknowledgement

The foregoing instrument was acknowledged before me by **DAUFUSKIE ISLAND UTILITY COMPANY, INC.** by Mike Guastella, its Manager, this 26 day of October, 2018.

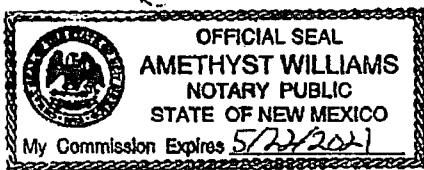
[Signature] (SEAL)

Notary Public for ~~South Carolina~~
New Mexico

My Commission Expires: 5/22/2021

Printed Name of Notary Public:
Amethyst Williams

[Affix Notary Seal]



WITNESS:

Karese Thomas
1st Witness

J. J. Moli
2nd Witness
Karese Thomas
1st Witness

J. J. Moli
2nd Witness

GRANTEES
STEPHEN A. NOLLER
BEVERLY P. NOLLER

Stephen A. Noller
Stephen A. Noller
Printed Name: Stephen A Noller

Beverly P. Noller
Beverly P. Noller
Printed Name: Beverly P Noller

Georgia
STATE OF ~~SOUTH CAROLINA~~)
Jones)
COUNTY OF ~~BEAUFORT~~)

Acknowledgement

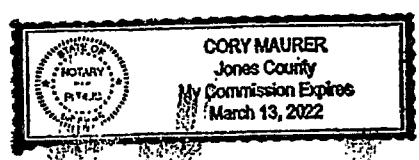
The foregoing instrument was acknowledged before me by **STEPHEN A. NOLLER and BEVERLY P. NOLLER** this 23 day of April, 2018.

Cory Maurer (SEAL)
Notary Public for South Carolina Georgia

My Commission Expires: 3-13-22

Printed Name of Notary Public:
Cory Maurer

[Affix Notary Seal]



WITNESS:

GRANTEES

JOHN M. HALWIG
NANCY D. HALWIG

Conroy Smith
1st Witness

John M. Halwig
Printed Name: John M. Halwig

Sen Bull
2nd Witness

Conroy Smith
1st Witness

Nancy D. Halwig
Printed Name: Nancy D. Halwig

John A. Halwig
2nd Witness

Georgia
STATE OF SOUTH CAROLINA)
Fulton)
COUNTY OF BEAUFORT)

Acknowledgement

The foregoing instrument was acknowledged before me by JOHN M. HALWIG and NANCY D. HALWIG this 27th day of April, 2018.

Mr. S. Thompson (SEAL)
Notary Public for South Carolina

My Commission Expires

Printed Name of Notary Public

[Affix Notary Seal]

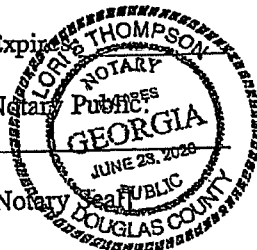


EXHIBIT A**Grantor Property Description
Burdened Property**

The real property which is the subject of this Easement Agreement is a portion of that certain property conveyed by FIG DAFAUSKIE 1, LLC to REDFISH HOLDINGS, LLC on February 13, 2018 in Book 3643, Pages 3261 – 3272 in the Register of Deeds for Beaufort County, South Carolina. Said property having a TMS Number of R800-025-000-001A-0000-00, as may be shown in reference to such Tax Map in the official records of Beaufort County, and on that certain plat entitled "Plat Of A Portion Of Melrose Plantation Known As The Melrose Club Property" prepared by Gifford, Neilson & Williams, Matthew M. Crawford, SC RLS Number 9756, dated April 26, 1988, last revised August 29, 1988 and recorded in the Office of the Register of Deeds of Beaufort County, South Carolina in Plat Book 35 at Page 245. The portion of said property subject to this Easement Agreement is more clearly shown on Exhibit B of this instrument.

EXHIBIT B**Utility Easement Area**

The Utility Easement Area is that certain area shown and described on a Plat by Thomas & Hutton, entitled Water and Sewer Plan, Sheet C2.1, for Dr. Halwig and Ms. Noller and dated May 6, 2017. The dimensions of the Easement Area proceeds from Martinangel Road between the 16th green of the Melrose Club Golf Course and the 17th tee of the Melrose Club Golf Course to a point on Driftwood Cottage Lane and being approximately 25 feet wide as shown on the above-referenced Plat, which plat is attached hereto and made a part hereof.

EXHIBIT C

Benefited Property Description

Halwig Exhibit C – TMS No.: R800-025-000-0097-0000 – ALL that certain piece, parcel or lot of land situate, lying and being on Daufuskie Island, Beaufort County, South Carolina, and being a part of the Melrose Plantation, said parcel being more particularly shown and designated as LOT NUMBER THREE (3) on a plat thereof dated September 18, 2001, recorded in the Office of the Register of Deeds for Beaufort County, South Carolina, in Plat Book 103 at Page 194, as revised.

Halwig Exhibit C – TMS No.: R800-025-000-0039-0000 – ALL that certain piece, parcel or tract of land lying and being on Daufuskie Island, Beaufort County, South Carolina, and being a part of Melrose Plantation, which parcel is more particularly shown and designated as LOT NUMBER ONE (1) on a plat prepared by William S. Saunders, SCRLS # 16122, dated September 18, 2001, as revised, which was recorded in the Office of the Register of Deeds for Beaufort County, South Carolina on January 10, 2005, in Plat Book 103 at Page 194.

Halwig Exhibit C – TMS No.: R800-025-000-0096-0000 – ALL that certain piece, parcel or tract of land lying and being on Daufuskie Island, Beaufort County, South Carolina, and being a part of Melrose Plantation, which parcel is more particularly shown and designated as LOT NUMBER TWO (2) on a plat prepared by William S. Saunders, SCRLS # 16122, dated September 18, 2001, as revised which was recorded in the Office of the Register of Deeds for Beaufort County, South Carolina on January 10, 2005, in Plat Book 103 at Page 194.

Halwig Exhibit C – TMS No.: R800-025-000-0021-0000 – ALL that certain piece, parcel or lot of land situate, lying and being on Daufuskie Island, County of Beaufort, South Carolina, which is more particularly described as 1.82 Acres, more or less, and containing 79,199 square feet, on the plat entitled "A Boundary Recombination Survey of Lots 26, 27 & 28 Into 1 Lot, Shown as Outparcels Accessed by a 20' Easement on Driftwood Cottage Lane, Melrose Plantation, Daufuskie Island, Beaufort County, South Carolina," dated September 18, 2001, prepared by William S. Saunders, PLS #16122, and which is recorded in Plat Book 129 at Page 107. Said property was formerly shown as Lots 26, 27, and 28 on the subdivision plat prepared by Civil Engineering of Columbia, dated July 20, 1978, which is recorded in Record Book 293 at Page 16.

Noller Exhibit C – TMS No.: R800-025-000-0090-0000 – ALL that certain piece, parcel or lot of land situate, lying and being in Melrose on DAUFUSKIE ISLAND, Beaufort County, South Carolina, shown and described as Lot 11, on a plat thereof prepared by Matthew M. Crawford, S.C. R.L.S. #9756, said plat dated the 6th day of November, 1986, revised the 6th day of January, 1987, and recorded in the Office of the Register of Mesne Conveyances for Beaufort County, South Carolina, in Plat Book 34 at Page 116. For a more detailed description as to location, courses, metes, bounds, distances, etc., reference may be had to said recorded plat.



Jack Smith

From: Thomas P. Gressette, Jr. <Gressette@WGFLAW.com>
Sent: Monday, October 29, 2018 4:17 PM
To: Jack Smith
Cc: Trenholm Walker
Subject: Addendum and Exhibits
Attachments: Addendum and Release 10-29-2018.pdf; EXHIBIT A-G (Addendum to Customer Service Agreement).pdf

Jack:

Attached is an Addendum to the Customer Service Agreement which I drafted to include all relevant documents as exhibits. That way the parties will each have a complete set. Some copies are not great, but I will remedy that -- I just wanted to be sure you had a copy of the exhibits.

I also have the signed original easement page in hand, so we are set on that item as well.

Let me know if you have any questions or if you want to discuss.

Thanks!

Tom



THOMAS P. GRESSETTE, JR.
 843.727.2249 direct
 Gressette@WGFLAW.com

PO Box 22167, Charleston, SC 29413
 66 Hasell Street, Charleston, SC 29401

The information contained in this message, including attachments, is confidential and may contain information protected by the attorney-client privilege or work product doctrine. If you are not the addressee, any disclosure, copying, distribution, or use of the contents of this message are prohibited. If you have received this communication in error, please destroy it and notify me immediately by calling 843-727-2200.

ADDENDUM TO CUSTOMER SERVICE AGREEMENT

WHEREAS, Michael Halwig, Nancy Halwig, Beverly Noller and Stephen Noller (together the “Customers”) and Daufuskie Island Utility Company, Inc. (“DIUC”) entered into a Customer Service Agreement (“CSA”) (copy attached hereto as **Exhibit A**);

WHEREAS, pursuant to the CSA, the Customers caused to be installed certain water mains and facilities (“Project Mains” as referenced in the CSA);

WHEREAS, the Project Mains includes the Curb Stops and Meters installed by DIUC but does not include any items located on the premises owned by the Customers (the Premises”);

WHEREAS, the Customers represent to the best of their knowledge that the Project Mains comply with all applicable laws, ordinances, rules, regulations and lawful orders of governmental authorities;

WHEREAS, the Customers have provided DIUC with an acknowledged bill of sale transferring the Project Mains to DIUC (copy attached hereto as **Exhibit B**);

WHEREAS, the Customers and DIUC wish to enter into this Addendum to the CSA in order to clarify the obligations between them pursuant to the CSA and to resolve all issues between them so as to avoid the costs of and delays associated with having disputed issues resolved by litigation, mediation, arbitration, or other complaint procedures or processes;

WHEREAS, the Drawings of Record/As-Built Drawings (copy attached hereto as **Exhibit C**), depict the newly installed Project Mains to be owned, operated, and maintained by DIUC and also depict certain items located on the Customers’ property which will remain the property of and responsibility of the Customers;

WHEREAS, pursuant to NARUC prescribed Uniform System of Accounts, when DIUC incorporates the Project Mains into its system it will book the cost of the Project Mains as

Contributions In Aid Of Construction;

WHEREAS, pursuant to the recent Tax Cuts and Jobs Act, DIUC will incur a tax liability at a rate of \$33.24 for every \$100.00 of the amount booked as Contributions In Aid Of Construction;

WHEREAS, pursuant to Paragraph 3 of the CSA, the Customers have provided invoices (copies attached hereto as **Exhibit D**) for costs associated with the Project Mains as follows:

PINCO	\$ 69,337.72 ¹
Thomas and Hutton	\$ 39,346.35
Joe Davis	\$ 2,650.00
Sea Island Land Survey	\$ 1,300.00
SC DHEC	\$ 250.00
Transportation Costs	\$ <u>70.00</u>
TOTAL	\$ 112,954.07

WHEREAS, DIUC has provided the Owners with a statement from its legal counsel (copy attached hereto as **Exhibit E**)² indicating that DIUC has incurred legal costs of \$3,900.00 related to the matters contained in the CSA;

WHEREAS, DIUC has provided the Owners with a statement (copy attached hereto as **Exhibit F**) indicating that DIUC incurred ferry transportation costs of \$70.00 for the Customers' engineer Fred Sororian; and

WHEREAS, as a result of incorporating the Project Mains into its utility plant in service, DIUC will incur a tax obligation of \$37,545.93, which is equal to 33.24% of \$112,954.07.

THEREFORE, in order to resolve all questions as to the obligations of the Owners and DIUC pursuant to the CSA, the Owners and DIUC agree:

¹ Supplemental Schedule from Pinco totaling \$76,487.72 less \$7,150.00 for Items 6 and 7 which will remain the property and responsibility of the Customers.

² The Customers and DIUC agree that production of the invoice does not constitute a waiver of any work product protections or the attorney-client privilege.

1. The Customers shall pay to DIUC \$3,900.00 for legal costs and \$37,545.93 for taxes incurred. Said payment shall be made by cashiers check payable to Daufuskie Island Utility Company, Inc. and delivered to: Thomas P. Gressette, Jr., Esq., Walker Gressette Freeman & Linton, LLC, 66 Hasell Street, Charleston, SC 29401.

2. The Customers will withdraw and release any and all claims and complaints they have asserted or may assert against DIUC in regard to the installation of the Project Mains, including but not limited to, those issues raised by letter from Newman Jackson Smith, Esq. to Chad Campbell dated September 11, 2018 (copy attached hereto as **Exhibit G**).

IT IS SO AGREED THIS _____ DAY OF OCTOBER, 2018.

Witness

Stephen A. Noller

Date: _____

Witness

Beverly P. Noller

Date: _____

Witness

John M. Halwig

Date: _____

Witness

Nancy D. Halwig

Date: _____

Daufuskie Island Utility Co., Inc.

Signed: _____

Printed Name: _____

Title: _____

Date: _____

Witness

ADDENDUM TO CUSTOMER SERVICE AGREEMENT

EXHIBIT A

Daufuskie Island Utility Company, Inc.

725 N. Hwy A1A, Suite B103, Jupiter, FL 33477
888-635-7878

BY EMAIL

January 30, 2018

Ms. Bev Noller
36 Driftwood Cottage Ln
Daufuskie Island, SC 29915

Dr. Michael Halwig
46 Driftwood Cottage Ln
Daufuskie Island, SC 29915

RE: Customer Service Agreement for Customers located at
36 & 46 Driftwood Cottage Lane

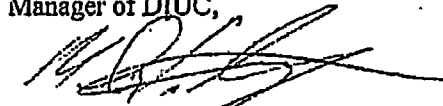
This Customer Agreement is necessary because of severe and continuous storm and tidal ocean erosion that destroyed the section of road located between 22 and 33 Driftwood Cottage Ln, containing Daufuskie Island Utility Company's ("DIUC") water and sewer facilities. Because these facilities could not be replaced as originally designed, DIUC is unable to provide service to customers located at 36 & 46 Driftwood Cottage Ln ("Customers"). As an alternative, DIUC provided Customers with a "Letter of Intent" to serve the customers by connecting to existing mains along Martinangel Ln. and install new mains and facilities ("Project Mains") through the Melrose Golf course to the Customers premises.

DIUC will serve Customers under the following terms of this agreement:

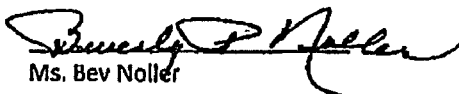
1. In order to protect other customers from sharing in the cost responsibility, it would be the responsibility of the affected Customers to have the Project Mains installed in accordance with the plans they solicited from Thomas & Hutton, at their cost.
2. The installation of the Project Mains must comply with all applicable laws, ordinances, rules, regulations and lawful orders of governmental authorities, and approved by DIUC.
3. Customers will provide DIUC with the following documents: written approval by the owners of the Melrose golf course for the Project Mains installation; easements of sufficient width for the perpetual access to repair, replace and maintain the Project Mains, invoices pertaining to all costs incurred including but not limited to, engineering, permitting and construction.
4. Upon completion of the Project Mains installation, Customers must submit detailed "as built" drawings prepared by a licensed surveyor.
5. Upon Completion of the Project Main, Customers will provide DIUC with an acknowledged bill of sale transferring them to DIUC, and they shall be and remain the property of DIUC and its heirs and successors, and will be treated as contributed for rate setting purposes.
6. The Customers shall not for any reason be entitled to any refunds with respect to the Project Mains or any future extension or use of those facilities.

Under the circumstances of the need for this agreement, there will be no charge for administrative fees. Upon execution of this agreement and compliance with its provisions, service will be connected to Customers premises.

GUASTELLA ASSOCIATES, LLC
Manager of DIUC,



Mike J. Guastella
Vice President- Operations



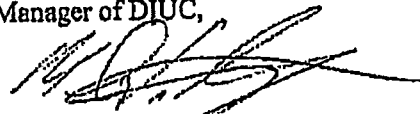
Ms. Bev Noller

Dr. Michael Halwig

Cc: Willie Morgan
Chad Campbell

Under the circumstances of the need for this agreement there will be no charge for administrative fees. Upon execution of this agreement and compliance with its provisions, service will be connected to Customers premises.

GUASTELLA ASSOCIATES, LLC
Manager of DIUC,



Mike J. Guastella
Vice President- Operations

G---:p--~
Ms. Bev ~~NOI~~

 2/1/18
Dr. Michael Halwig

Cc: Willie Morgan
Chad Campbell

ADDENDUM TO CUSTOMER SERVICE AGREEMENT

EXHIBIT B

BILL OF SALE OF WATER AND WASTEWATER EQUIPMENT

John M. Halwig and Nancy D. Halwig and Stephen A. Noller and Beverly P. Noller ("Grantors"), for and in consideration of the sum of FIVE AND NO/100 (\$5.00) DOLLARS to it in hand paid at and before the sealing of these presents, by the DAUFUSKIE ISLAND UTILITY CORPORATION, INC. ("DIUC" or "Grantee"), (the receipt whereof is hereby acknowledged) have granted, bargained, sold and released, and by these presents do grant, bargain, sell and release unto the said DIUC their right, title, and interest in and to the following described water and wastewater equipment, to wit:

The equipment, including but not limited to all piping, conduit and other materials, used for water and wastewater transportation and treatment serving the residences owned by Grantors at 36 and 46 Driftwood Cottage Lane, Daufuskie Island, South Carolina, as is more particularly shown and depicted on the plans and specifications prepared by Thomas & Hutton Engineering, bearing the date of May 17, 2017, installed by PINCO, Inc. in July, August and September 2018. Attached is the detailed list of all tangible components and of payments for such components and services related to installation.

By acceptance of this water and wastewater equipment Grantee assumes all responsibility for the maintenance and repair of said equipment in the normal course of providing its water and wastewater services to the Grantors' properties.

Whereby we put our hands and seals this 9 day of Oct., 2018.

36 Driftwood Cottage Lane, Daufuskie Island, SC

Stephen A Noller

Stephen A noller

Stephen A. Noller

Beverly P Noller

Beverly P. Noller

46 Driftwood Cottage Lane, Daufuskie Island, SC

John M. Halwig

Nancy D. Halwig

BILL OF SALE OF WATER AND WASTEWATER EQUIPMENT

John M. Halwig and Nancy D. Halwig and Stephen A. Noller and Beverly P. Noller ("Grantors"), for and in consideration of the sum of FIVE AND NO/100 (\$5.00) DOLLARS to it in hand paid at and before the sealing of these presents, by the DAUFUSKIE ISLAND UTILITY CORPORATION, INC. ("DIUC" or "Grantee"), (the receipt whereof is hereby acknowledged) have granted, bargained, sold and released, and by these presents do grant, bargain, sell and release unto the said DIUC their right, title, and interest in and to the following described water and wastewater equipment, to wit:

The equipment, including but not limited to all piping, conduit and other materials, used for water and wastewater transportation and treatment serving the residences owned by Grantors at 36 and 46 Driftwood Cottage Lane, Daufuskie Island, South Carolina, as is more particularly shown and depicted on the plans and specifications prepared by Thomas & Hutton Engineering, bearing the date of May 17, 2017, installed by PINCO, Inc. in July, August and September 2018. Attached is the detailed list of all tangible components and of payments for such components and services related to installation.

By acceptance of this water and wastewater equipment Grantee assumes all responsibility for the maintenance and repair of said equipment in the normal course of providing its water and wastewater services to the Grantors' properties.

Whereby we put our hands and seals this 10th day of October 2018.

36 Driftwood Cottage Lane, Daufuskie Island, SC

Stephen A. Noller

Beverly P. Noller

46 Driftwood Cottage Lane, Daufuskie Island, SC

John M. Halwig
John M. Halwig

Nancy D. Halwig
Nancy D. Halwig

Supplemental Schedule

PINCO

Period: 7/1/18 - August 28, 2018

Metrosc: 35 & 40 Digitwood Cottage Lane

Pay Request No 03-F

Line Item	DESCRIPTION	Contract Quantity	Unit Price	Total Price	This Month Quantity	This Month \$ Amount	Previous Quantity	Previous \$ Amount	Quantity	To Date \$ Amount	Percent Complete
1	Mobilization / De-Mobilization	Lump Sum	\$ 11,700.00	\$ 11,700.00	0	\$ -	1	\$ 11,700.00	1	\$ 11,700.00	100.00%
2	Erosion Control	Lump Sum	\$ 1,200.00	\$ 1,200.00	0	\$ -	1	\$ 1,200.00	1	\$ 1,200.00	100.00%
3	8" PVC water Main	507	\$ 29.58	\$ 14,997.06	0	\$ -	507	\$ 14,997.06	507	\$ 14,997.06	100.00%
4	1.5" HDPE Force Main	550	\$ 12.65	\$ 6,997.50	0	\$ -	550	\$ 6,997.50	550	\$ 6,997.50	100.00%
5	1.25" HDPE Force Main	360	\$ 15.14	\$ 5,450.40	0	\$ -	360	\$ 5,450.40	360	\$ 5,450.40	100.00%
6	2' x 4' x 10' Slab on Grade Installation	Lump Sum	\$ 4,600.00	\$ 4,600.00	0	\$ -	1	\$ 4,600.00	1	\$ 4,600.00	100.00%
7	Concrete Footing Installation	Lump Sum	\$ 2,550.00	\$ 2,550.00	0	\$ -	1	\$ 2,550.00	1	\$ 2,550.00	100.00%
8	Cap Existing Sewers	1	\$ 900.00	\$ 900.00	0	\$ -	1	\$ 900.00	1	\$ 900.00	100.00%
9	Cap Existing 8" Water Main	1	\$ 1,150.00	\$ 1,150.00	0	\$ -	1	\$ 1,150.00	1	\$ 1,150.00	100.00%
10	Connect 1.5" FM to Ext. MH	1	\$ 2,300.00	\$ 2,300.00	0	\$ -	1	\$ 2,300.00	1	\$ 2,300.00	100.00%
11	Connect new 8" to existing WvMain	1	\$ 6,800.00	\$ 6,800.00	0	\$ -	1	\$ 6,800.00	1	\$ 6,800.00	100.00%
12	Electrical Connection	1	\$ 7,000.00	\$ 7,000.00	0	\$ -	1	\$ 7,000.00	1	\$ 7,000.00	100.00%
	Sub Total		\$ -	\$ 65,349.00		\$ -		\$ 65,349.00	0	\$ 65,349.00	
	Change Order 01		\$ -	\$ -		\$ -		\$ -	0	\$ -	
1	Re-connect sewer line	LS	\$ 875.00	\$ 875.00	0	\$ -	1	\$ 875.00	1	\$ 875.00	100.00%
2	Connect waterline	LS	\$ 1,275.00	\$ 1,275.00	0	\$ -	1	\$ 1,275.00	1	\$ 1,275.00	100.00%
3	Re-mobilize and De-Mobilize	LS	\$ 4,310.00	\$ 4,310.00	0.25	\$ 1,077.50	0.75	\$ 3,232.50	1	\$ 4,310.00	100.00%
4	Added Legal Fees	3	\$ 300.00	\$ 900.00	0	\$ -	3.2	\$ 960.00	3	\$ 900.00	100.00%
5	Re-Excavate pipe ends	LS	\$ 1,670.00	\$ 1,670.00	0	\$ -	1	\$ 1,670.00	1	\$ 1,670.00	100.00%
6	Continue Search & Full Flush	LS	\$ 1,625.00	\$ 1,625.00	0	\$ -	1	\$ 1,625.00	1	\$ 1,625.00	100.00%
	Sub-Total		\$ -	\$ 10,655.00		\$ 1,077.50		\$ 9,577.50	0	\$ 10,655.00	
	Summary Change Order 02	LS	\$ 483.72	\$ 483.72		\$ 483.72		\$ -	0	\$ 483.72	100%
	TOTAL		\$ -	\$ 76,487.72		\$ 1,077.50		\$ 75,410.22	0	\$ 76,487.72	


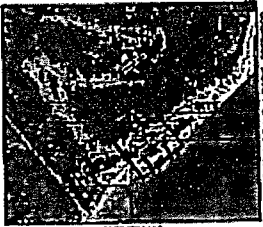


ADDENDUM TO CUSTOMER SERVICE AGREEMENT

EXHIBIT C

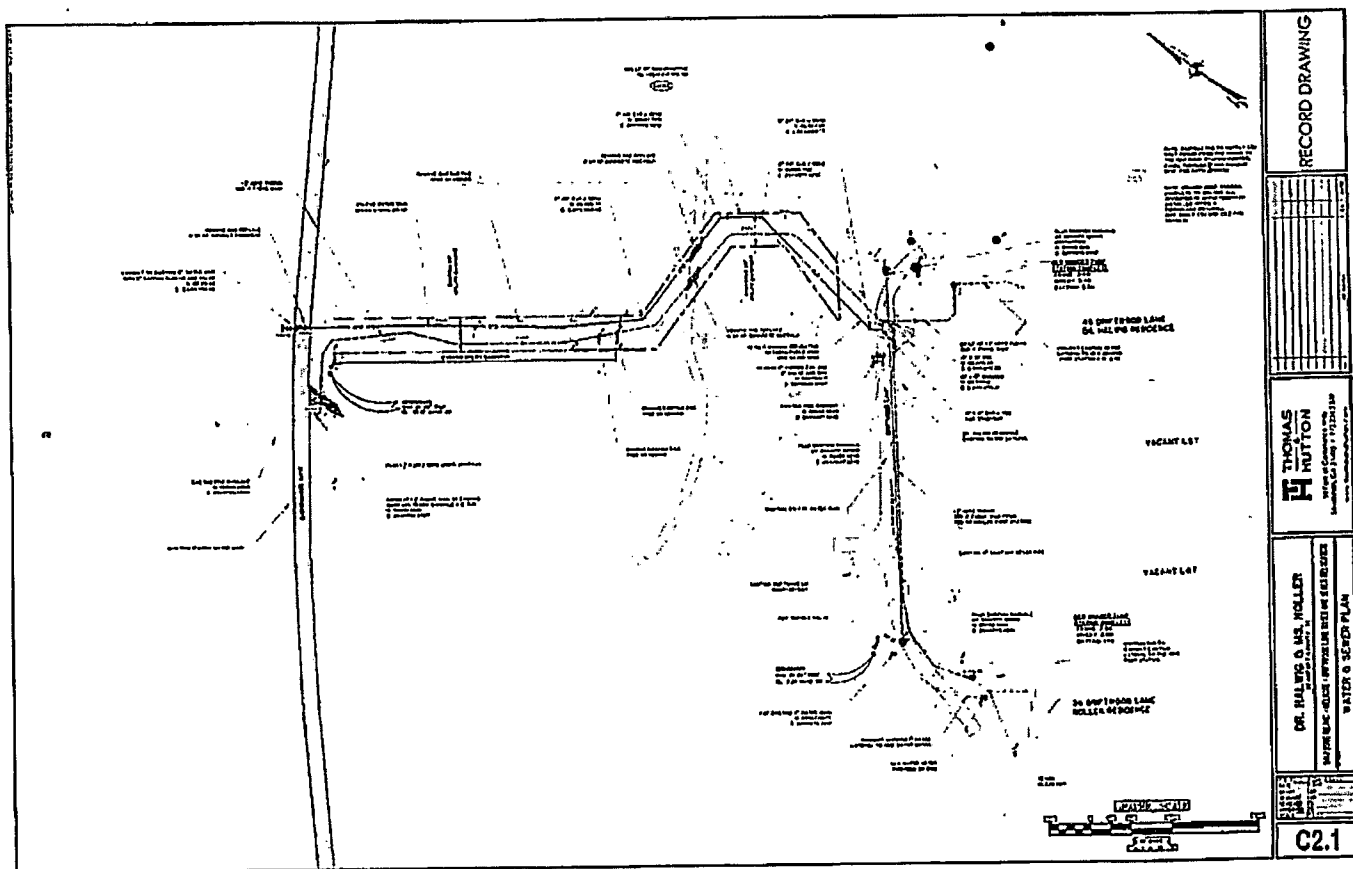
SEWER LEGEND			EROSION CONTROL LEGEND		WATER LEGEND		
DESCRIPTION	SYMBOL	NOTES	DESCRIPTION	SYMBOL	DESCRIPTION	SYMBOL	
1. Sewer main	—		1. Erosion control	—	1. Water main	—	
2. Sewer branch	—		2. Erosion control	—	2. Water branch	—	
3. Sewer manhole	—		3. Erosion control	—	3. Water manhole	—	
4. Sewer cleanout	—		4. Erosion control	—	4. Water cleanout	—	
5. Sewer vent	—		5. Erosion control	—	5. Water vent	—	
6. Sewer drop	—		6. Erosion control	—	6. Water drop	—	
7. Sewer lift	—		7. Erosion control	—	7. Water lift	—	
8. Sewer pump	—		8. Erosion control	—	8. Water pump	—	
9. Sewer tank	—		9. Erosion control	—	9. Water tank	—	
10. Sewer filter	—		10. Erosion control	—	10. Water filter	—	
11. Sewer valve	—		11. Erosion control	—	11. Water valve	—	
12. Sewer gate	—		12. Erosion control	—	12. Water gate	—	
13. Sewer weir	—		13. Erosion control	—	13. Water weir	—	
14. Sewer culvert	—		14. Erosion control	—	14. Water culvert	—	
15. Sewer ditch	—		15. Erosion control	—	15. Water ditch	—	
16. Sewer channel	—		16. Erosion control	—	16. Water channel	—	
17. Sewer structure	—		17. Erosion control	—	17. Water structure	—	
18. Sewer building	—		18. Erosion control	—	18. Water building	—	
19. Sewer equipment	—		19. Erosion control	—	19. Water equipment	—	
20. Sewer material	—		20. Erosion control	—	20. Water material	—	
21. Sewer waste	—		21. Erosion control	—	21. Water waste	—	
22. Sewer debris	—		22. Erosion control	—	22. Water debris	—	
23. Sewer trash	—		23. Erosion control	—	23. Water trash	—	
24. Sewer litter	—		24. Erosion control	—	24. Water litter	—	
25. Sewer garbage	—		25. Erosion control	—	25. Water garbage	—	
26. Sewer refuse	—		26. Erosion control	—	26. Water refuse	—	
27. Sewer waste	—		27. Erosion control	—	27. Water waste	—	
28. Sewer debris	—		28. Erosion control	—	28. Water debris	—	
29. Sewer trash	—		29. Erosion control	—	29. Water trash	—	
30. Sewer litter	—		30. Erosion control	—	30. Water litter	—	
31. Sewer garbage	—		31. Erosion control	—	31. Water garbage	—	
32. Sewer refuse	—		32. Erosion control	—	32. Water refuse	—	
33. Sewer waste	—		33. Erosion control	—	33. Water waste	—	
34. Sewer debris	—		34. Erosion control	—	34. Water debris	—	
35. Sewer trash	—		35. Erosion control	—	35. Water trash	—	
36. Sewer litter	—		36. Erosion control	—	36. Water litter	—	
37. Sewer garbage	—		37. Erosion control	—	37. Water garbage	—	
38. Sewer refuse	—		38. Erosion control	—	38. Water refuse	—	
39. Sewer waste	—		39. Erosion control	—	39. Water waste	—	
40. Sewer debris	—		40. Erosion control	—	40. Water debris	—	
41. Sewer trash	—		41. Erosion control	—	41. Water trash	—	
42. Sewer litter	—		42. Erosion control	—	42. Water litter	—	
43. Sewer garbage	—		43. Erosion control	—	43. Water garbage	—	
44. Sewer refuse	—		44. Erosion control	—	44. Water refuse	—	
45. Sewer waste	—		45. Erosion control	—	45. Water waste	—	
46. Sewer debris	—		46. Erosion control	—	46. Water debris	—	
47. Sewer trash	—		47. Erosion control	—	47. Water trash	—	
48. Sewer litter	—		48. Erosion control	—	48. Water litter	—	
49. Sewer garbage	—		49. Erosion control	—	49. Water garbage	—	
50. Sewer refuse	—		50. Erosion control	—	50. Water refuse	—	
51. Sewer waste	—		51. Erosion control	—	51. Water waste	—	
52. Sewer debris	—		52. Erosion control	—	52. Water debris	—	
53. Sewer trash	—		53. Erosion control	—	53. Water trash	—	
54. Sewer litter	—		54. Erosion control	—	54. Water litter	—	
55. Sewer garbage	—		55. Erosion control	—	55. Water garbage	—	
56. Sewer refuse	—		56. Erosion control	—	56. Water refuse	—	
57. Sewer waste	—		57. Erosion control	—	57. Water waste	—	
58. Sewer debris	—		58. Erosion control	—	58. Water debris	—	
59. Sewer trash	—		59. Erosion control	—	59. Water trash	—	
60. Sewer litter	—		60. Erosion control	—	60. Water litter	—	
61. Sewer garbage	—		61. Erosion control	—	61. Water garbage	—	
62. Sewer refuse	—		62. Erosion control	—	62. Water refuse	—	
63. Sewer waste	—		63. Erosion control	—	63. Water waste	—	
64. Sewer debris	—		64. Erosion control	—	64. Water debris	—	
65. Sewer trash	—		65. Erosion control	—	65. Water trash	—	
66. Sewer litter	—		66. Erosion control	—	66. Water litter	—	
67. Sewer garbage	—		67. Erosion control	—	67. Water garbage	—	
68. Sewer refuse	—		68. Erosion control	—	68. Water refuse	—	
69. Sewer waste	—		69. Erosion control	—	69. Water waste	—	
70. Sewer debris	—		70. Erosion control	—	70. Water debris	—	
71. Sewer trash	—		71. Erosion control	—	71. Water trash	—	
72. Sewer litter	—		72. Erosion control	—	72. Water litter	—	
73. Sewer garbage	—		73. Erosion control	—	73. Water garbage	—	
74. Sewer refuse	—		74. Erosion control	—	74. Water refuse	—	
75. Sewer waste	—		75. Erosion control	—	75. Water waste	—	
76. Sewer debris	—		76. Erosion control	—	76. Water debris	—	
77. Sewer trash	—		77. Erosion control	—	77. Water trash	—	
78. Sewer litter	—		78. Erosion control	—	78. Water litter	—	
79. Sewer garbage	—		79. Erosion control	—	79. Water garbage	—	
80. Sewer refuse	—		80. Erosion control	—	80. Water refuse	—	
81. Sewer waste	—		81. Erosion control	—	81. Water waste	—	
82. Sewer debris	—		82. Erosion control	—	82. Water debris	—	
83. Sewer trash	—		83. Erosion control	—	83. Water trash	—	
84. Sewer litter	—		84. Erosion control	—	84. Water litter	—	
85. Sewer garbage	—		85. Erosion control	—	85. Water garbage	—	
86. Sewer refuse	—		86. Erosion control	—	86. Water refuse	—	
87. Sewer waste	—		87. Erosion control	—	87. Water waste	—	
88. Sewer debris	—		88. Erosion control	—	88. Water debris	—	
89. Sewer trash	—		89. Erosion control	—	89. Water trash	—	
90. Sewer litter	—		90. Erosion control	—	90. Water litter	—	
91. Sewer garbage	—		91. Erosion control	—	91. Water garbage	—	
92. Sewer refuse	—		92. Erosion control	—	92. Water refuse	—	
93. Sewer waste	—		93. Erosion control	—	93. Water waste	—	
94. Sewer debris	—		94. Erosion control	—	94. Water debris	—	
95. Sewer trash	—		95. Erosion control	—	95. Water trash	—	
96. Sewer litter	—		96. Erosion control	—	96. Water litter	—	
97. Sewer garbage	—		97. Erosion control	—	97. Water garbage	—	
98. Sewer refuse	—		98. Erosion control	—	98. Water refuse	—	
99. Sewer waste	—		99. Erosion control	—	99. Water waste	—	
100. Sewer debris	—		100. Erosion control	—	100. Water debris	—	

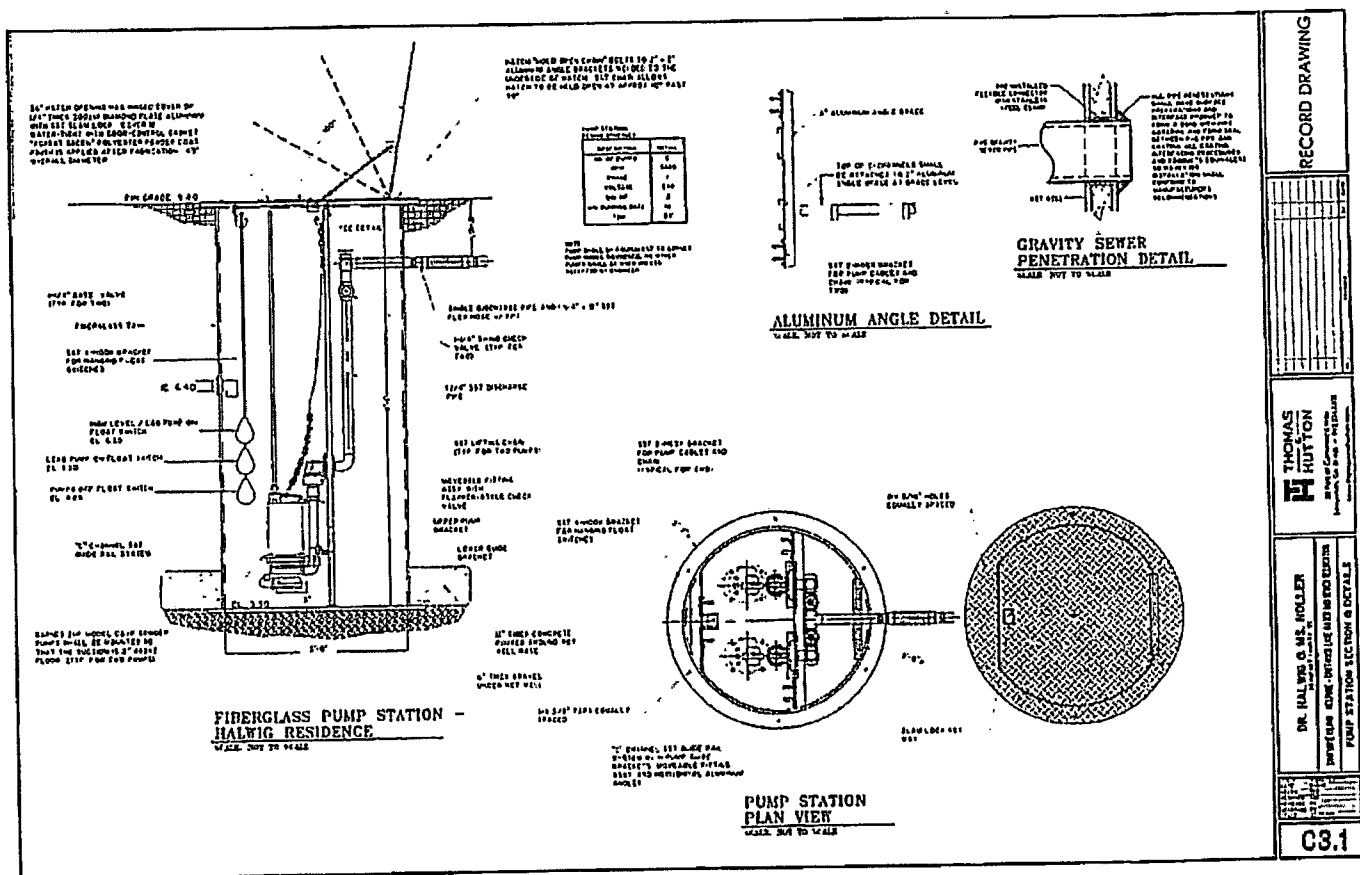
DRAINAGE LEGEND		
DESCRIPTION	SYMBOL	NOTES
1. Drainage ditch	—	
2. Drainage channel	—	
3. Drainage structure	—	
4. Drainage building	—	
5. Drainage equipment	—	
6. Drainage material	—	
7. Drainage waste	—	
8. Drainage debris	—	
9. Drainage trash	—	
10. Drainage litter	—	
11. Drainage garbage	—	
12. Drainage refuse	—	
13. Drainage waste	—	
14. Drainage debris	—	
15. Drainage trash	—	
16. Drainage litter	—	
17. Drainage garbage	—	
18. Drainage refuse	—	
19. Drainage waste	—	
20. Drainage debris	—	
21. Drainage trash	—	
22. Drainage litter	—	
23. Drainage garbage	—	
24. Drainage refuse	—	
25. Drainage waste	—	
26. Drainage debris	—	
27. Drainage trash	—	
28. Drainage litter	—	
29. Drainage garbage	—	
30. Drainage refuse	—	
31. Drainage waste	—	
32. Drainage debris	—	
33. Drainage trash	—	
34. Drainage litter	—	
35. Drainage garbage	—	
36. Drainage refuse	—	
37. Drainage waste	—	
38. Drainage debris	—	
39. Drainage trash	—	
40. Drainage litter	—	
41. Drainage garbage	—	
42. Drainage refuse	—	
43. Drainage waste	—	
44. Drainage debris	—	
45. Drainage trash	—	
46. Drainage litter	—	
47. Drainage garbage	—	
48. Drainage refuse	—	
49. Drainage waste	—	
50. Drainage debris	—	
51. Drainage trash	—	
52. Drainage litter	—	
53. Drainage garbage	—	
54. Drainage refuse	—	
55. Drainage waste	—	
56. Drainage debris	—	
57. Drainage trash	—	
58. Drainage litter	—	
59. Drainage garbage	—	
60. Drainage refuse	—	
61. Drainage waste	—	
62. Drainage debris	—	
63. Drainage trash	—	
64. Drainage litter	—	
65. Drainage garbage	—	
66. Drainage refuse	—	
67. Drainage waste	—	
68. Drainage debris	—	
69. Drainage trash	—	
70. Drainage litter	—	
71. Drainage garbage	—	
72. Drainage refuse	—	
73. Drainage waste	—	
74. Drainage debris	—	
75. Drainage trash	—	
76. Drainage litter	—	
77. Drainage garbage	—	
78. Drainage refuse	—	
79. Drainage waste	—	
80. Drainage debris	—	
81. Drainage trash	—	
82. Drainage litter	—	
83. Drainage garbage	—	
84. Drainage refuse	—	
85. Drainage waste	—	
86. Drainage debris	—	
87. Drainage trash	—	
88. Drainage litter	—	
89. Drainage garbage	—	
90. Drainage refuse	—	
91. Drainage waste	—	
92. Drainage debris	—	
93. Drainage trash	—	
94. Drainage litter	—	
95. Drainage garbage	—	
96. Drainage refuse	—	
97. Drainage waste	—	
98. Drainage debris	—	
99. Drainage trash	—	
100. Drainage litter	—	

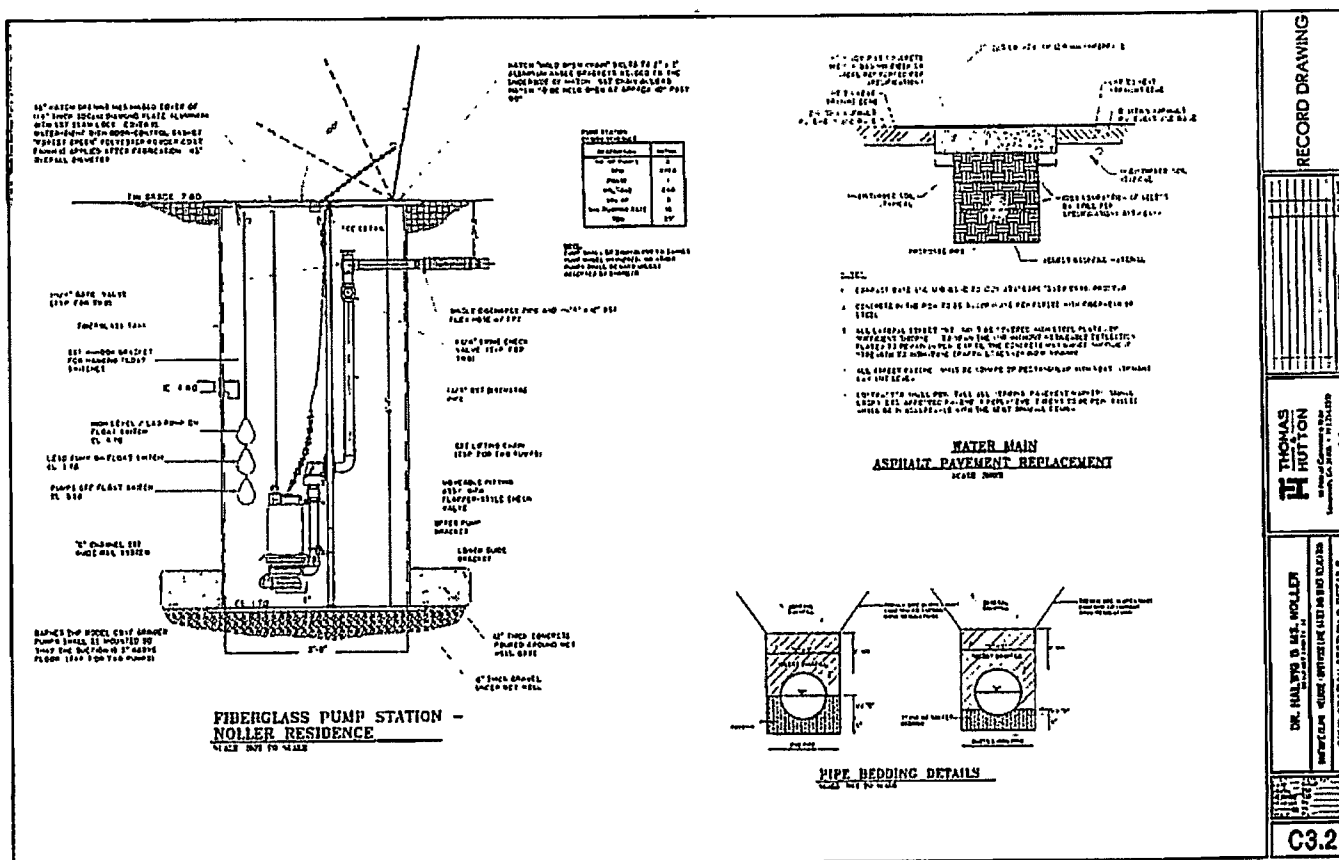
OTHER UTILITIES LEGEND	
DESCRIPTION	SYMBOL
1. Gas line	—
2. Electric line	—
3. Telephone line	—
4. Cable TV line	—
5. Sewer line	—
6. Water line	—
7. Storm sewer line	—
8. Drainage ditch	—
9. Drainage channel	—
10. Drainage structure	—
11. Drainage building	—
12. Drainage equipment	—
13. Drainage material	—
14. Drainage waste	—
15. Drainage debris	—
16. Drainage trash	—
17. Drainage litter	—
18. Drainage garbage	—
19. Drainage refuse	—
20. Drainage waste	—
21. Drainage debris	—
22. Drainage trash	—
23. Drainage litter	—
24. Drainage garbage	—
25. Drainage refuse	—
26. Drainage waste	—
27. Drainage debris	—
28. Drainage trash	—
29. Drainage litter	—
30. Drainage garbage	—
31. Drainage refuse	—
32. Drainage waste	—
33. Drainage debris	—
34. Drainage trash	—
35. Drainage litter	—
36. Drainage garbage	—
37. Drainage refuse	—
38. Drainage waste	—
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41. Drainage litter	—
42. Drainage garbage	—
43. Drainage refuse	—
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45. Drainage debris	—
46. Drainage trash	—
47. Drainage litter	—
48. Drainage garbage	—
49. Drainage refuse	—
50. Drainage waste	—
51. Drainage debris	—
52. Drainage trash	—
53. Drainage litter	—
54. Drainage garbage	—
55. Drainage refuse	—
56. Drainage waste	—
57. Drainage debris	—
58. Drainage trash	—
59. Drainage litter	—
60. Drainage garbage	—
61. Drainage refuse	—
62. Drainage waste	—
63. Drainage debris	—
64. Drainage trash	—
65. Drainage litter	—
66. Drainage garbage	—
67. Drainage refuse	—
68. Drainage waste	—
69. Drainage debris	—
70. Drainage trash	—
71. Drainage litter	—
72. Drainage garbage	—
73. Drainage refuse	—
74. Drainage waste	—
75. Drainage debris	—
76. Drainage trash	—
77. Drainage litter	—
78. Drainage garbage	—
79. Drainage refuse</	

<h1 style="text-align: center;">DAUFUSKIE ISLAND - MELROSE - DRIFTWOOD LANE WATER AND SEWER RELOCATION RECORD DRAWING</h1> <p style="text-align: center;">BEAUFORT COUNTY, SC</p> <p style="text-align: center;">PREPARED FOR: DR. HALWIG & MS. NOLLER 46 & 36 DRIFTWOOD LANE</p> <p style="text-align: center;">AUGUST 2018</p> <p style="text-align: center;">J-26606.0000</p> <p style="text-align: center;">PREPARED BY:</p> <div style="text-align: center;">  THOMAS & HUTTON Engineering Surveying Planning GIS Consulting </div>		 <p style="text-align: center;">VICINITY MAP SCALE 1"=500'</p> <table border="1"> <thead> <tr> <th colspan="2">Sheet List Table</th> </tr> <tr> <th>Sheet Number</th> <th>Sheet Title</th> </tr> </thead> <tbody> <tr> <td>81</td> <td>General Notes</td> </tr> <tr> <td>82</td> <td>Water Main Installation</td> </tr> <tr> <td>83</td> <td>Sanitary Sewer Installation</td> </tr> <tr> <td>84</td> <td>Storm Sewer Installation</td> </tr> <tr> <td>85</td> <td>Gravel & Stone Work</td> </tr> <tr> <td>86</td> <td>Final Grading & Landscaping</td> </tr> <tr> <td>87</td> <td>Final Site Plan & Easement</td> </tr> <tr> <td>88</td> <td>Final Site & Gravel Work</td> </tr> <tr> <td>89</td> <td>Summary</td> </tr> </tbody> </table> <p style="text-align: center;">DRAWING OF RECORD</p> <div style="display: flex; justify-content: space-between; align-items: center;"> <div style="text-align: center;">  <p>Know what's below. Call before you dig.</p> </div> <div style="text-align: center;">  <p>THOMAS & HUTTON 80 Days of Computerized Site Calculations. No. 11-001 1-800-701-8888 FAX 252-336-5148</p> </div> </div>	Sheet List Table		Sheet Number	Sheet Title	81	General Notes	82	Water Main Installation	83	Sanitary Sewer Installation	84	Storm Sewer Installation	85	Gravel & Stone Work	86	Final Grading & Landscaping	87	Final Site Plan & Easement	88	Final Site & Gravel Work	89	Summary
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88	Final Site & Gravel Work																							
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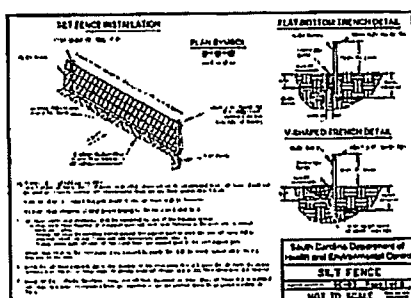
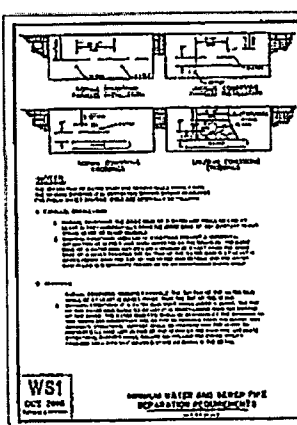










<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;">  <p style="text-align: center;">SET FENCE NOT TO SCALE</p> </div> <div style="width: 45%;">  <p style="text-align: center;">SET FENCE NOT TO SCALE</p> </div> </div>		<p style="text-align: center;">RECORD DRAWING</p>
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>ALL SET FENCE INSTALLATION SHALL BE IN ACCORDANCE WITH THE FOLLOWING:</p> <ul style="list-style-type: none"> 1. The fence shall be constructed of galvanized steel pipe and mesh. 2. The fence shall be constructed of galvanized steel pipe and mesh. 3. The fence shall be constructed of galvanized steel pipe and mesh. 4. The fence shall be constructed of galvanized steel pipe and mesh. 5. The fence shall be constructed of galvanized steel pipe and mesh. 6. The fence shall be constructed of galvanized steel pipe and mesh. 7. The fence shall be constructed of galvanized steel pipe and mesh. 8. The fence shall be constructed of galvanized steel pipe and mesh. 9. The fence shall be constructed of galvanized steel pipe and mesh. 10. The fence shall be constructed of galvanized steel pipe and mesh. </div> <div style="width: 45%;"> <p>GENERAL NOTES:</p> <ol style="list-style-type: none"> 1. The fence shall be constructed of galvanized steel pipe and mesh. 2. The fence shall be constructed of galvanized steel pipe and mesh. 3. The fence shall be constructed of galvanized steel pipe and mesh. 4. The fence shall be constructed of galvanized steel pipe and mesh. 5. The fence shall be constructed of galvanized steel pipe and mesh. 6. The fence shall be constructed of galvanized steel pipe and mesh. 7. The fence shall be constructed of galvanized steel pipe and mesh. 8. The fence shall be constructed of galvanized steel pipe and mesh. 9. The fence shall be constructed of galvanized steel pipe and mesh. 10. The fence shall be constructed of galvanized steel pipe and mesh. </div> </div>		<p style="text-align: center;">THOMAS HUTTON</p> <p style="text-align: center;">DR. HALLER, MS. HOLLER</p> <p style="text-align: center;">DR. HALLER, MS. HOLLER</p>
<p style="text-align: center;">WS1</p> <p style="text-align: center;">WATER AND SEWER PIPE</p> <p style="text-align: center;">REPAIRS AND MAINTENANCE</p>		<p style="text-align: center;">C3.4</p>

ADDENDUM TO CUSTOMER SERVICE AGREEMENT

EXHIBIT D

Supplemental Schedule

PINCO

Period Thru: August 28, 2018

McDrosse, 46 & 46 Driftwood Cottage Lane

Pay Request No. 03-F

Line Item	DESCRIPTION	Contract Quantity	Unit Price	Total Price	This Month Quantity	This Month \$ Amount	Previous Quantity	Previous \$ Amount	To Date Quantity	To Date \$ Amount	Percent Complete
1	Mobilization/ DeMobilization	Lump Sum	\$ 11,700.00	\$ 11,700.00	0	\$ -	1	\$ 11,700.00	1	\$ 11,700.00	100.00%
2	Erosion Control	Lump Sum	\$ 1,200.00	\$ 1,200.00	0	\$ -	1	\$ 1,200.00	1	\$ 1,200.00	100.00%
3	8" PVC Water Main	507'	\$ 29.58	\$ 14,997.06	0	\$ -	533	\$ 15,706.14	537	\$ 14,997.06	100.00%
4	1.5" HDPE Force Main	550	\$ 12.55	\$ 6,902.50	0	\$ -	542	\$ 6,802.10	550	\$ 6,902.50	100.00%
5	1.25" HDPE Force Main	360	\$ 15.14	\$ 5,450.40	0	\$ -	346	\$ 5,238.44	360	\$ 5,450.40	100.00%
6	2' Concrete Stormwater Installation	Lump Sum	\$ 4,600.00	\$ 4,600.00	0	\$ -	1	\$ 4,600.00	1	\$ 4,600.00	100.00%
7	Concrete 2' Stormwater Installation	Lump Sum	\$ 3,550.00	\$ 3,550.00	0	\$ -	1	\$ 3,550.00	1	\$ 3,550.00	100.00%
8	Cap Existing Sewers	1	\$ 900.00	\$ 900.00	0	\$ -	1	\$ 900.00	1	\$ 900.00	100.00%
9	Cap Existing 8" Water Main	1	\$ 1,150.00	\$ 1,150.00	0	\$ -	1	\$ 1,150.00	1	\$ 1,150.00	100.00%
10	Connect 1.5" FM to Ext. MH	1	\$ 2,300.00	\$ 2,300.00	0	\$ -	1	\$ 2,300.00	1	\$ 2,300.00	100.00%
11	Connect new 8" to existing Wtr Main	1	\$ 6,600.00	\$ 6,600.00	0	\$ -	1	\$ 6,600.00	1	\$ 6,600.00	100.00%
12	Electrical Connection	1	\$ 7,000.00	\$ 7,000.00	0	\$ -	1	\$ 7,000.00	1	\$ 7,000.00	100.00%
	Sub Total		\$ -	\$ 65,348.00		\$ -		\$ 65,348.00	0	\$ 65,348.00	
	Change Order 01		\$ -	\$ -		\$ -		\$ -	0	\$ -	
2	Re-connect sewer line	LS	\$ 875.00	\$ 875.00	0	\$ -	1	\$ 875.00	1	\$ 875.00	100.00%
2	Connect waterline	LS	\$ 1,275.00	\$ 1,275.00	0	\$ -	1	\$ 1,275.00	1	\$ 1,275.00	100.00%
3	Re-mobilize and De-Mobilize	LS	\$ 4,310.00	\$ 4,310.00	0.25	\$ 1,077.50	0.75	\$ 3,232.50	1	\$ 4,310.00	100.00%
4	Added Legal Fees	3	\$ 300.00	\$ 900.00	0	\$ -	3.2	\$ 960.00	3	\$ 900.00	100.00%
5	Re-Excavate pipe unds	LS	\$ 1,670.00	\$ 1,670.00	0	\$ -	1	\$ 1,670.00	1	\$ 1,670.00	100.00%
6	Continue Search 2' Full Flush	LS	\$ 1,625.00	\$ 1,625.00	0	\$ -	1	\$ 1,625.00	1	\$ 1,625.00	100.00%
	Sub-Total			\$ 10,655.00		\$ 1,077.50		\$ 9,637.50	0	\$ 10,655.00	100.00%
	Summary Change Order 02	LS	\$ 483.72	\$ 483.72		\$ 483.72		\$ -	0	\$ 483.72	100%
	TOTAL			\$ 76,487.72		\$ 1,077.50		\$ 75,444.18	0	\$ 76,487.72	

THOMAS & HUTTON

50 PARK OF COMMERCE WAY | POST OFFICE BOX 2727
SAVANNAH, GA 31402-2727 | 912.234.5300
WWW.THOMASANDHUTTON.COM

October 11, 2018

Dr. Halwig /Ms. Beverly Noller
305 Tenth Street NE
Atlanta, GA 30309

Re: Daufuskie Island- Melrose
Driftwood Lane
House # 36- Owned by Ms. Beverly Noller
House # 46- Owned by Dr. Halwig

Professional Services from July 29, through August 25, 2018

Phase:	Description of Work	Contract Budget Amount	Previously Billed/to date	Current Invoice	Balance to complete
0010	General Consulting	\$2,000.00	\$2000.00	\$0.00	\$0.00
0470	Topographic Survey	\$4,000.00	\$4000.00	\$0.00	\$0.00
0510	Engineering Design	\$10,000.00	\$10,000.00	\$0.00	\$0.00
0610	Permits	\$7,000.00	\$7000.00	\$0.00	\$0.00
0720	Construction Services	\$15,000.00	\$9,037.50	\$5,962.50	\$0.00
0010	Reimbursable Expe.	\$3,000.00	\$1,256.35	\$63.02	\$1,680.63
Current Invoice Sub Total		\$41,000.00	\$33,320.83	\$6,025.52	\$1,680.63

Sincerely,

THOMAS & HUTTON



Fred Sororian, P.E.
Project Manager

FS/cht

10/10/2018

Road and cart path repair

From: Joe Davis <joedavis5958@gmail.com>
To: Mike Halwig <Jmhalwigmd@aol.com>
Subject: Road and cart path repair
Date: Thu, Aug 30, 2018 9:59 am

Invoice

From Joe Davis
To Mike Halwig.

Forum and pour the road and cart path that had to be cut out for water and sewer for the Halwig and Noller houses. Mat. 4 yards of concrete 1400.00. Labor 1250.00. Total 2650.00 Completed on 8/24/18.

Mike please transfer funds to my account. Thanks
Sent from my iPhone

SILS Sea Island Land Survey, LLC
 10 Oak Park Drive, Unit C1
 Hilton Head Island, SC 29926

INVOICE #	DUE DATE
1707002	10/7/2018
Accounts not paid by due date are subject to a 1.5% monthly late charge.	

BILL TO
John Halwig 305 10th Street NE Atlanta, GA 30309

INVOICE DATE	TERMS	P.O. No.		
10/5/2018	Due upon completion			
ITEM	DESCRIPTION	QTY	RATE	AMOUNT
ASB	Portion of Melrose Club Property, Melrose Golf Course, Area between Driftwood Cottage & Martinangel, Daufuskie Island, Beaufort County, South Carolina	1	1,050.00	1,050.00
TR	Asbuill Survey of newly completed water/ sewer lines. Transport charges to/from Daufuskie Island Ordered by and Prepared for Dr. Halwig	1	250.00	250.00
Thank you for your business. We look forward to serving you again.		Invoice Total \$1,300.00		
		Payments/Credits \$0.00		
		Balance Due \$1,300.00		

Tel: 843-681-3248 Fx: 843-689-3871

Email: sils@sprynet.com

Complainants 00173

Payee: SCDHEC OCRM

Check #: 880677

Vendor ID: 37581

Vendor Assigned Customer #:

Check Date: Aug 20/18

<u>Inv #</u>	<u>Inv Date</u>	<u>G/L Acct</u>	<u>Client</u>	<u>Matter</u>	<u>Narrative</u>	<u>Amount</u>	<u>Inv Total</u>
082018	Aug 20/18		054041	09000		\$125.00	\$250.00
VENDOR: SCDHEC OCRM INVOICE#: 082018 DATE: 8/20/2018							
- 08/20/18 - Water & Sewer Permit Application fee							
			055561	09000		\$125.00	
VENDOR: SCDHEC OCRM INVOICE#: 082018 DATE: 8/20/2018							
- 08/20/18 - Water & Sewer Permit Application fee							
Invoice Totals:						\$250.00	\$250.00

hand-delivered 8-21-18 - K. Karkson

ADDENDUM TO CUSTOMER SERVICE AGREEMENT

EXHIBIT E



G. Trenholm Walker
 Thomas P. Gressette, Jr.
 Ian W. Freeman
 John P. Linton, Jr.
 Charles P. Summerall, IV

THOMAS P. GRESSETTE, JR.
 Direct: 843.727.2249
 Email: Gressette@WGFLAW.com

Statement of Attorney Fees

During the period from July 2, 2018 through October 20, 2018, I performed legal work for Daufuskie Island Utility Company, Inc. (DIUC) regarding the installation, permitting, and sale to DIUC of certain water mains and facilities ("Project Mains") installed by Michael Halwig, Nancy Halwig, Beverly Noller and Stephen Noller.

The Project Mains are located within the DIUC service area on Daufuskie Island, South Carolina.

During the aforementioned period, DIUC has incurred attorney fees totaling \$3,900.00 for my services.

/s/ Thomas P. Gressette, Jr.
 Thomas P. Gressette, Jr.
 Member
 Walker Gressette Freeman & Linton, LLC

October 20, 2018
 Charleston, South Carolina

ADDENDUM TO CUSTOMER SERVICE AGREEMENT

EXHIBIT F

Borcherding, Mr.

Thu	8/9/2018	In	10:27AM	1	HHI FERRY READER IN 1
Thu	8/9/2018	In	10:27AM	1	HHI FERRY READER IN 1
Thu	8/9/2018	Out	12:37PM	1	DI FERRY FIXED READER
Thu	8/9/2018	Out	12:37PM	1	DI FERRY FIXED READER

Borcherding, Fred

Thu	8/2/2018	In	10:26AM	1	HHI FERRY READER IN 1
Thu	8/2/2018	Out	12:36PM	1	DI FERRY FIXED READER



HAIG POINT
— DAUFUSKIE ISLAND —

Haig Point
10 Haig Point Circle
Hilton Head Island, SC 29928
(800) 686-3441

STATEMENT

ACCOUNT NO	STATEMENT DATE
2800	08/31/2018

BALANCE DUE*

\$2,315.60

AMOUNT PAID

Daufuskie Island Utility
P.O. Box 360

Northborough, MA 01532



Please detach and return top portion with payment

DATE	REFERENCE	DESCRIPTION	AMOUNT	SVC CHG	TAX	TOTAL
		Balance Forward				\$2,691.54
8/1/18	160689	Marine	70.00	0.00	0.00	\$70.00
8/1/18	161453	Marine	35.00	0.00	0.00	\$35.00
8/2/18	161333	Marine	175.00	0.00	0.00	\$175.00
8/3/18	160832	Marine	105.00	0.00	0.00	\$105.00
8/4/18	160973	Marine	70.00	0.00	0.00	\$70.00
8/6/18	161097	Lodging Member Services	15.00	0.00	0.00	\$15.00
8/6/18	161199	Marine	105.00	0.00	0.00	\$105.00
8/7/18	161409	Marine	35.00	0.00	0.00	\$35.00
8/8/18	161514	Marine	70.00	0.00	0.00	\$70.00
8/9/18	161913	Marine	175.00	0.00	0.00	\$175.00
8/10/18	161940	Marine	105.00	0.00	0.00	\$105.00
8/11/18	162078	Marine	35.00	0.00	0.00	\$35.00
8/11/18	164092	Marine	20.00	0.00	0.00	\$20.00
8/12/18	162187	Marine	35.00	0.00	0.00	\$35.00
8/13/18	162272	Marine	70.00	0.00	0.00	\$70.00
8/13/18	162423	Marine	35.00	0.00	0.00	\$35.00
8/15/18	162577	Marine	35.00	0.00	0.00	\$35.00
8/15/18	1931	Payment				-\$2,691.54
8/16/18	162849	Marine	70.00	0.00	0.00	\$70.00
8/17/18	162933	Marine	105.00	0.00	0.00	\$105.00
8/17/18	164210	Marine	20.00	0.00	0.00	\$20.00
8/17/18	164226	Marine	40.00	0.00	0.00	\$40.00
8/18/18	163084	Marine	35.00	0.00	0.00	\$35.00
8/18/18	163187	Marine	105.00	0.00	0.00	\$105.00
8/20/18	163254	Marine	70.00	0.00	0.00	\$70.00
8/20/18	163513	Marine	70.00	0.00	0.00	\$70.00

MINIMUM	TO DATE	BALANCE	ENDING	2800	Daufuskie Island Utility
\$0.00	\$0.00	\$0.00			

CURRENT	OVER 30	OVER 60	OVER 90	BALANCE DUE
\$2,315.60	\$0.00	\$0.00	\$0.00	\$2,315.60

Balance due 30 days from date of statement. Please make checks payable to HPCCA.

If you have any questions, please contact Larry Chestnut @ 843-341-8147.

ADDENDUM TO CUSTOMER SERVICE AGREEMENT

EXHIBIT G



E. Bart Daniel
T 843.634.4123
bart.daniel@nelsonmullins.com

NELSON MULLINS RILEY & SCARBOROUGH LLP
ATTORNEYS AND COUNSELORS AT LAW

161 Meeting Street | Sixth Floor
Charleston, SC 29401-2239
T 843.853.6200 F 843.722.8700
nelsonmullins.com

September 11, 2018

Via Electronic and US Mail

Mr. Chad Campbell
Supervisor, Consumer Services
Office of Regulatory Staff
1401 Main Street, Suite 900
Columbia, South Carolina 29201

RE: ORS File No. 2016-W-1682
Daufuskie Island Utility Company, Inc. (DIUC)
Michael and Nancy Halwig
NMRS File No.: 54041/09000
Stephan and Beverly Noller
NMRS File No.: 055561/09000

Dear Chad:

Thank you very much for your prior communications with me concerning the situation on Daufuskie Island for the Halwigs and Nollers. The Daufuskie Island Utility Company, Inc. has required certain actions or payments by the Halwigs and Nollers, as we have discussed. This letter specifically requests information on the interpretation of the current rate structure for and authority of DIUC concerning the costs associated with the replacement of some of its water and sewer mains. Irrespective of whether there is any contract at issue, does the current rate structure, and the rate structure currently on appeal by DIUC, (1) preclude or (2) allow for the cost of replacement of any its mains to be required to be paid by some but not all of its customers? Asked another way, is the payment of the cost of replacement of any of its water and sewer infrastructure required to be paid by customers in the area affected by the replacement, or is it allowable or understood in its rate structure that the replacements of its infrastructure for water and sewer would be general cost attributable to all rate payers? Please indicate if there is a different answer depending upon whether the replacement is needed due to damage or destruction versus breakdown.

Prior to making a decision concerning filing a complaint regarding the situation we have discussed, we seek to understand whether the statement used by DIUC as basis for requiring the Halwigs and Nollers to pay for the cost of replacement has a solid foundation within the ORS regulations, PSC decisions, or its approved rate structure. The statement

CALIFORNIA | COLORADO | DISTRICT OF COLUMBIA | FLORIDA | GEORGIA | MARYLAND | MASSACHUSETTS | NEW YORK
NORTH CAROLINA | SOUTH CAROLINA | TENNESSEE | WEST VIRGINIA

Complainants 00181

Mr. Chad Campbell
September 11, 2018
Page 2

that has been continually made as a basis for requiring the Halwigs and Nollers to pay for the replacement mains under Driftwood Cottage Lane is that, "In order to protect other customers from sharing in the cost responsibility, it would be the responsibility of the affected customers to have the project mains installed in accordance with the plans." The decision on whether to take any action concerning this situation could be affected by the validity of the foundation of this statement by DIUC as a basis for requiring the full payment of all costs of the equipment, installation, permitting, engineering and other fees associated with the replacement mains to be paid by these customers.

Another question is whether or not the legal fees which DIUC is incurring in its filing of a rate case with the PSC, and with its multiple appeals of decisions by the PSC, are or can be charged to its customers as part of its typical administrative costs. The answer to this question is relative because DIUC has also demanded that the Halwigs and Nollers pay for DIUC's legal fees in regard to review of the documents for an easement in favor of DIUC from a third party property owner and other related documents, as well as in regard to all discussions with its attorney regarding the demand for payment itself.

Finally, the regulations for water and sewer utilities include the following:

Each utility, unless specifically relieved in any case by the commission from such obligation, shall operate and maintain in safe, efficient and proper conditions all of its facilities and equipment used in connection with the services it provides to any customer up to and including the point of delivery into systems or facilities owned by the customer.

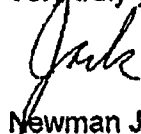
See R.103-540 and 740.

Are these two regulatory requirements enforceable by the ORS, PSC or the courts? Has the PSC relieved DIUC, or any other utility, from the requirement stated in these regulations? If these regulations have been interpreted by the ORS or PSC, I would appreciate that information.

I appreciate the time and attention you have provided me on behalf of the Halwigs and Nollers, and look forward to your reply. Please do not hesitate to call me if you would prefer to discuss this prior to your response.

With best regards, I am

Very truly yours,



Newman Jackson Smith

NJS:et

cc: David Butler, Esquire



Newman Jackson Smith
T 843.534.4309 F 843.534.4350
jack.smith@nelsonmullins.com

NELSON MULLINS RILEY & SCARBOROUGH LLP
ATTORNEYS AND COUNSELORS AT LAW

151 Meeting Street | Sixth Floor
Charleston, SC 29401-2239
T 843.853.6200 F 843.722.8700
nelsonmullins.com

October 31, 2018

Gressette@WGFLAW.com

Thomas P. Gressette, Jr., Esquire
Walker Gressette Freeman Linton LLC
66 Hasell Street
Charleston, SC 29401

RE: 46 & 36 Driftwood Cottage Lane (Halwig and Noller Residences)
NMRS File Nos.: 54041/09000 and 055561/09000

Dear Tom:

I appreciate your sending me the Addendum to Customer Service Agreement and the exhibits thereto. However, the Halwigs and Nollers decline to agree to the Addendum, and must demand that Daufuskie Island Utility Company comply with the January 30, 2018 Customer Service Agreement. The Halwigs and Nollers have performed each and every responsibility that they have under that Agreement. They have provided all of the required documentation and the completed installation of the mains at their cost. DIUC has so far not turned on the water and sewer service even though the completion of all of the requirements of the Agreement has been documented to the DIUC. Instead of confirming a date this week when service would be restored, the Addendum proposes to re-trade the Agreement and impose terms never imagined or discussed when the Agreement was signed.

As early as December 2015 DIUC has claimed that it would not replace the mains to serve Driftwood Cottage Lane properties. The only alternative given to the Halwigs and Nollers in order to have the service, which DIUC also stated that it would continue to provide, was for the Halwigs and Nollers to incur the cost of installation of an alternative to the mains destroyed under a portion of Driftwood Cottage Lane. Without any alternative, and with the failure of DIUC to assist in any way, including any efforts to provide even temporary means by which DIUC could provide water or sewer service, the Halwigs and Nollers were forced into the Agreement created by DIUC to perform what has now been accomplished for the restoration of service. The cost of the new DIUC mains has been paid by the Halwigs and Nollers, and the DIUC mains have been installed in accordance with the DIUC approved plans. The installation is in compliance with all applicable laws, ordinances, rules, regulations and lawful orders and has been approved

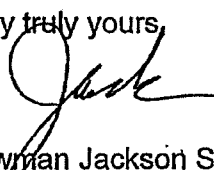
Thomas P. Gressette, Jr., Esquire
October 31, 2018
Page 2

by DIUC. All written documentation concerning such approvals, easements and invoices has been provided. An as-built drawing has been provided to DIUC along with an acknowledged Bill of Sale transferring what has been installed to DIUC. Without any further requirements in the Agreement for the Halwigs and Nollers to perform, the Halwigs and Nollers must demand that service be restored immediately in order for them to finally, after more than two (2) years, achieve the ability to use their property.

"Upon execution of this agreement and compliance with its provisions, service will be connected to customers premises." This promise from the Agreement has now been breached by DIUC. Instead of restoring service, DIUC has proffered an Addendum to the Agreement that would add terms and conditions never mentioned much less agreed to when the Agreement was signed and complied with in good faith by the Halwigs and Nollers. The Halwigs and Nollers have lived up to their responsibilities under the Agreement, and it is time for DIUC to do the same and restore service immediately.

The Halwigs and Nollers specifically request that service be restored no later than this Friday November 2, 2018.

Very truly yours,



Newman Jackson Smith

NJS/mam

1401 Main Street, Suite 900



Phone: (803) 737-0800

abateman@regstaff.sc.gov

Andrew M. Bateman
Deputy Chief Counsel for ORS

December 21, 2018

VIA ELECTRONIC FILING

Jocelyn G. Boyd, Esquire
 Chief Clerk & Administrator
 Public Service Commission of South Carolina
 101 Executive Center Drive, Suite 100
 Columbia, South Carolina 29210

RE: Stephen and Beverly Noller and Michael and Nancy Halwig, Complainants/Petitioners
 v. Daufuskie Island Utility Company, Incorporated, Defendant/Respondent
Docket No. 2018-364-WS

Dear Ms. Boyd:

While the South Carolina Office of Regulatory Staff ("ORS") understands that there are complex issues that must be resolved in this case, it also believes that it is in the best interest of ratepayers for adequate utility service to be provided in a safe and reasonable manner. ORS has communicated extensively with counsel for both Daufuskie Island Utility Company ("DIUC") and the Complainants and believes that DIUC has the capability to safely restore service to the Complainants immediately. As a result, ORS would respectfully request, absent a showing from DIUC indicating why it cannot safely restore service, expedited review from the Public Service Commission of South Carolina and a requirement that DIUC immediately restore service to the Complainants with the understanding that restoration of service does not waive any position that any party may take in this matter.

Sincerely,

Andrew M. Bateman

cc: Joseph Melchers, Esquire (via E-mail)
 All Parties of Record (via E-mail)

Complainants 00185



G. Trenholm Walker
Thomas P. Gressette, Jr.
Ian W. Freeman
John P. Linton, Jr.
Charles P. Summerall, IV

THOMAS P. GRESSETTE, JR.
Direct: 843.727.2249
Email: Gressette@WGFLAW.com

December 26, 2018

Via Email Only

Newman Jackson Smith, Esquire
Nelson Mullins

Andrew Bateman, Esquire
Jeffrey M. Nelson, Esquire
Office of Regulatory Staff

RE: Daufuskie Island Utility Company, Inc.
Docket No. 2018-364-WS
46 & 36 Driftwood Cottage Lane (Halwig and Noller Residences)

Dear Counselors:

In response to the correspondence from ORS dated December 21, 2018, and pursuant to requests by the Customers (Halwig and Noller), service has been activated at the 46 & 36 Driftwood Cottage Lane.

However, it is my understanding that certain equipment on one or both of the Customers' properties (customer side of the meters) has been damaged by tides and/or erosion and that repairs are necessary and/or underway. The damaged items were installed only a few months ago, which highlights the reasons providing service to these homes is ill advised and risky. DIUC will cooperate as it is able, but I would note that it is the Customers' responsibility to comply with all permitting and inspection requirements for repairs conducted on their properties.

I have not visited the sites this week, so I am not certain of the issues. I do hope for the Customers' that these matters can be easily remedied.

Sincerely yours,

/s/

Thomas P. Gressette, Jr.



DAUFUSKIE ISLAND FIRE DISTRICT

P.O. BOX 85, 400 HAIG POINT ROAD
DAUFUSKIE ISLAND, SC 29915
843-785-2116
FAX 843-785-6021

January 13, 2016

J. Michael Halwig MD
2132 West Village Crossing SE
Smyrna, GA 30080

Re: Gravel Path

Dear Mr. Halwig,

I am in receipt of your request to review a temporary 12' path through a utility easement to be used for emergency access. I could not determine where the proposed path would cross the golf course, where it would end, the size of rock or how thick the layer of rock would be.

A temporary proposed path may provide limited access for emergency services whereas currently there isn't any. This means that if the path can handle the loads of the fire apparatus, is suitable under all weather conditions, the fire apparatus has a way to get in and out without great difficulty, then I believe this would serve as a temporary path.

A temporary path is brief, short term, not-lasting, not permanent and therefore would require a permanent solution within six months to a year. I applaud your effort to provide an access point to your home and look forward to a more permanent solution in the near future.

Sorry I missed you during the Christmas holiday, I left a message on your voicemail and hope to speak with you soon.

Best regards,

Eddie Boys
District Chief
Daufuskie Island Fire Department

From: Crow, Ken <kcrow@centurygolf.com>
Sent: Friday, January 15, 2016 2:58 PM
To: Josey, J. Rene
Subject: Fwd: Driftwood Cottage Access
Attachments: LAB Driftwood Cottage Access.pdf; ATT00001.htm

Rene,

Below is the email that was sent to the homeowners association today. A couple of items in the email. First, after speaking with the chief this week he is neither an agreement or against any access as he says he has no authority over that situation. Secondly, the homeowners stated the same. I will forward the response to Dr. Halwig next.

Thanks
 Ken

From: <jmhalwigmd@aol.com<mailto:jmhalwigmd@aol.com>>
 Date: Fri, Jan 15, 2016 at 8:54 AM
 Subject: Driftwood Cottage Access
 To: thompson.ja47@gmail.com<mailto:thompson.ja47@gmail.com>
 Cc: melrosemc@gmail.com<mailto:melrosemc@gmail.com>

We have been in negotiations with Century Golf/Pelorus regarding access to Driftwood Cottage Lane. So far they have agreed to allow access along the existing 16th-17th hole cart path with a new temporary path between the 16th green and 17th tee attaching to Driftwood Cottage Lane.

Access through the utility easement between lot 24 and lot 25 along Martinangel Lane then south along the 17th hole west of the existing cart path and then between the 16th green and 17th tee still appears to be the best option (see the attached documents). That is the route that Len Pojednic also advised. Ken Crowe is concerned about potential opposition from the adjoining homeowners. Chief Boys is supportive of this route for temporary emergency access.

A formal statement from the POA advising that this is the best option to provide temporary emergency access for Driftwood Cottage Lane residents would be helpful in addressing those potential concerns.

Mike

From: Crow, Ken <kcrow@centurygolf.com>
Sent: Friday, January 15, 2016 2:59 PM
To: Josey, J. Rene
Subject: Fwd: Emergency access

Rene,

Below is the response back to Dr. Halwig for the property owners Association.

Thanks,
Ken

Sent from my iPhone

Begin forwarded message:

From: John Thompson <thompson.ja47@gmail.com<mailto:thompson.ja47@gmail.com>>
Date: January 15, 2016 at 12:47:18 PM EST
To: Ken Crow <kcrow@centurygolf.com<mailto:kcrow@centurygolf.com>>
Subject: Emergency access

Dear Mike,

It was previously determined that the Melrose Property Owner's Association has no standing regarding the access point other than the platted access that can no longer be safely traversed in front of the McCarthy property. The MPOA board has no voice in this dialog as we have no authority over any of the property involved. John Thompson, for the MPOA Board

THE MELROSE PROPERTY OWNERS ASSOCIATION, INC.
c/o GW SERVICES INC.
P.O. BOX 6476
HILTON HEAD ISLAND, SC 29938-6476

January 25, 2016

To: Dr. Michael Halwig

E-Mail copies to: Dr. and Mrs. Noller
 Mr. Brian McCarthy
 Mr. Victor Speck
 Mr. Richard Noonan
 Mr. Ken Crowe
 Chief E. Boys

Dear Dr. Halwig,

As you and everyone is aware, the severe erosion that has devastated Driftwood Beach has left your home, the Noller home ,and McCarthy's homes temporarily inaccessible via Driftwood Road. You have informed me that you, your wife and Dr. and Mrs. Noller, as well as your joint counsel, have been discussing alternative access routes with Ken Crowe of Century Golf and more recently his counsel.

You have also indicated to me that Century and Pelorus are generally amenable to granting temporary golf cart, pedestrian and emergency vehicle access across the golf course at a point between the 16th green and the 17th tee. That would be a significant, and very welcome, accommodation by Century/Pelorus. The unresolved issue appears to be the route that golf carts, pedestrians and emergency vehicles might take from Martinangel Lane in order to reach the possible access point between the 16th green and the 17th tee.

Although there is a platted twenty five foot wide easement between the Speck and Noonan homes, those homeowners have already advised MPOA that they oppose use of that area for anything other than utility purposes. I recall that there is a utility box within the easement area, and it is heavily wooded with dense foliage. Since the MPOA does not own that area, it can neither grant nor deny access- nor will it assume site clearance costs. Whether or not that 25' wide easement can accommodate fire and emergency vehicles is an open question that Chief Boyes' may be able to answer.

There may be other routes to reach the temporary corridor between the 16th green and 17th fairway, such as, for example, the existing 16th fairway cart path which initiates at Martinangel Lane, and runs northward to the aforementioned temporary golf course access point. In order to better accommodate emergency vehicles, the cart path could be temporarily widened where it intersects Martinangel. We do, as the MPOA, have a small common parcel on that site that could enhance this route as an option . Again, whatever route is agreed upon would have to be approved for Emergency Access by Chief Boyes.

The MPOA Board all agree that we should maintain a neutral stance on the issues involved, for at least two reasons. First, and most importantly, the MPOA does not own or control the potentially affected properties; and second, we want to respect the conflicting interests of each of our members. However, while we want to maintain a neutral stance, we would strongly suggest that each of the interested parties, including Century/Pelorus, the Halwigs, Nollers, McCarthys, Specks, Noonans, with their lawyers and/or representatives, and Chief Boyes, come together as soon as possible, openly discuss all possible alternatives, and try to come to a solution that may not be ideal, but will alleviate the legitimate, but hopefully, temporary, access problem that exists now due to the beach erosion. If all of the affected parties agree, the MPOA will be willing to ask one or more of our Board Members to serve as a facilitator or mediator in such discussions. If the parties are interested in that approach, please let me know.

Best Regards to All,

John Thompson
President
Melrose Property Owners Association

From: Crow, Ken <kcrow@centurygolf.com>
Sent: Monday, January 25, 2016 11:40 AM
To: Josey, J. Rene
Subject: Fwd: Response sent to Dr. Michael Halwig this date
Attachments: MPOA Response to Mike Halwig 01252016.docx; ATT00001.htm

Hope you had a great weekend. I just received this email. Have not had a chance to read it as I'm traveling to Hilton head now.

Thanks,
 Ken

Sent from my iPhone

Begin forwarded message:

From: John Thompson <thompson.ja47@gmail.com<mailto:thompson.ja47@gmail.com>>
 Date: January 25, 2016 at 11:17:53 AM EST
 To: "jmhalwigmd@aol.com<mailto:jmhalwigmd@aol.com>" <JMHalwigMD@aol.com<mailto:JMHalwigMD@aol.com>>, "bev.noller@gmail.com<mailto:bev.noller@gmail.com>" <bev.noller@gmail.com<mailto:bev.noller@gmail.com>>, Vic Speck <vcspeck@aol.com<mailto:vcspeck@aol.com>>, Doug Noonan <LawDTN@yahoo.com<mailto:LawDTN@yahoo.com>>, Doug Noonan <Richard.Noonan@morgankeegan.com<mailto:Richard.Noonan@morgankeegan.com>>, Ken Crow <kcrow@centurygolf.com<mailto:kcrow@centurygolf.com>>, <MBOYS4900@aol.com<mailto:MBOYS4900@aol.com>>
 Cc: Mary Ann Freeman <melrosemc@gmail.com<mailto:melrosemc@gmail.com>>
 Subject: Response sent to Dr. Michael Halwig this date

To all: Please use the attached letter as a clear statement of the Melrose Property Owner's Association Board's position with regard to the ongoing access problems associated with the loss of Driftwood Lane. The letter below is also attached in a Word document for print and reference. Our MPOA Administrator, Mary Ann Freeman, will also distribute this document to all members of our board and it will be recorded in the MPOA Minutes. John A. Thompson as President of the MPOA Board of Directors

THE MELROSE PROPERTY OWNERS ASSOCIATION, INC.
 c/o GW SERVICES INC.
 P.O. BOX 6476
 HILTON HEAD ISLAND, SC 29938-6476

January 25, 2016

To: Dr. Michael Halwig

E-Mail copies to: Dr. and Mrs. Noller
 Mr. Brian McCarthy
 Mr. Victor Speck
 Mr. Richard Noonan
 Mr. Ken Crowe
 Chief E. Boys

Dear Dr. Halwig,

As you and everyone is aware, the severe erosion that has devastated Driftwood Beach has left your home, the Noller home, and McCarthy's homes temporarily inaccessible via Driftwood Road. You have informed me that you, your wife and Dr. and Mrs. Noller, as well as your joint counsel, have been discussing alternative access routes with Ken Crowe of Century Golf and more recently his counsel.

You have also indicated to me that Century and Pelorus are generally amenable to granting temporary golf cart, pedestrian and emergency vehicle access across the golf course at a point between the 16th green and the 17th tee. That would be a significant, and very welcome, accommodation by Century/Pelorus. The unresolved issue appears to be the route that golf carts, pedestrians and emergency vehicles might take from Martinangel Lane in order to reach the possible access point between the 16th green and the 17th tee.

Although there is a platted twenty five foot wide easement between the Speck and Noonan homes, those homeowners have already advised MPOA that they oppose use of that area for anything other than utility purposes. I recall that there is a utility box within the easement area, and it is heavily wooded with dense foliage. Since the MPOA does not own that area, it can neither grant nor deny access- nor will it assume site clearance costs. Whether or not that 25' wide easement can accommodate fire and emergency vehicles is an open question that Chief Boyes' may be able to answer.

There may be other routes to reach the temporary corridor between the 16th green and 17th fairway, such as, for example, the existing 16th fairway cart path which initiates at Martinangel Lane, and runs northward to the aforementioned temporary golf course access point. In order to better accommodate emergency vehicles, the cart path could be temporarily widened where it intersects Martinangel. We do, as the MPOA, have a small common parcel on that site that could enhance this route as an option. Again, whatever route is agreed upon would have to be approved for Emergency Access by Chief Boyes.

The MPOA Board all agree that we should maintain a neutral stance on the issues involved, for at least two reasons. First, and most importantly, the MPOA does not own or control the potentially affected properties; and second, we want to respect the conflicting interests of each of our members. However, while we want to maintain a neutral stance, we would strongly suggest that each of the interested parties, including Century/Pelorus, the Halwigs, Nollers, McCarthys, Specks, Noonans, with their lawyers and/or representatives, and Chief Boyes, come together as soon as possible, openly discuss all possible alternatives, and try to come to a solution that may not be ideal, but will alleviate the legitimate, but hopefully, temporary, access problem that exists now due to the beach erosion. If all of the affected parties agree, the MPOA will be willing to ask one or more of our Board Members to serve as a facilitator or mediator in such discussions. If the parties are interested in that approach, please let me know.

Best Regards to All,

John Thompson
President
Melrose Property Owners Association

Turner | Padget

REPLY TO:

J. René Josey

E-Mail: RJosey@TurnerPadget.com
 Writer's Direct Dial: (843) 656-4451
 Writer's Direct Fax: (843) 413-5818

February 2, 2016

VIA E-MAIL

Mr. Ken Crowe
 Century Golf

VIA EMAIL

John A. Thompson, DMD
 President
 Melrose Property Owners' Association

Re: Urgent Need for Property Access to 46 Driftwood Cottage Lane, Daufuskie Island
 File No.: 13826.101

Gentlemen:

I am once again writing on behalf of Dr. and Mrs. Halwig and their neighbors the Nollers with regard to the ongoing need for reasonable access to their properties at Daufuskie Island. While we appreciate the cooperative spirit which has been shown in our previous discussions regarding this crisis, *time is now of the essence* as we are quickly approaching prime rental season for these properties at Daufuskie Island. In particular, there are property rentals scheduled for March and April with an even heavier booking for May and beyond. *Thus, we need something in place in the next few weeks.*

Since Mother Nature has taken away the access that was originally planned and provided, my clients are seeking reasonable accommodation under the circumstances – circumstances that we all hope will be temporary and will improve. To make our request specific, we believe reasonable access should include a route and method to transport renters with their accompanying luggage to the Halwig and Noller's homes without those renters having to physically transfer luggage from one staging area to another, or carry their luggage on foot across the golf course or other property. This would be in keeping with the renter's expectations and the amenities afforded to other residents of Melrose and the island. Your assistance in planning and providing a route will also lessen the likelihood of any rogue routes attempted by renters.

Reasonable access would also include the ability for necessary/routine island vendors to reach the home to deliver propane gas, service a swimming pool (which is also needed for safety), and pick up garbage. It is essential that an ambulance or similar EMS vehicle be able to reach the home in the case of an emergency. Such access may not require a paved road but might be provided through a sufficiently wide lane of crushed stone. As you know, there is part of a previous paved road still available on the oceanfront side of the golf course adjacent to these properties for turnarounds, parking, and similar connections. This piece of the former road may

TPGL 6834928v1

Turner | Padget

Mr. Ken Crowe
John A. Thompson, DMD
February 2, 2016
Page 2

need some maintenance or supplemental care to fulfill this purpose and that would be in keeping with the HOA functions throughout Melrose. As you also know, the Halwigs own multiple lots which can be perhaps also used as needed to facilitate such access.

While the golf course has expressed a preference for a route traveling adjacent to the 16th fairway before turning right behind the 16th green, we can be flexible as to route -- provided the basic services can be met as described above. As an alternative, we would again encourage consideration of a northern approach to the Halwigs' house using the shared access route of the service vehicles that will be used to reconstruct the seawall along the 17th fairway. The severity of turn angles for any chosen route is a concern as it may reduce the functionality of access provided.

The Halwigs and Nollers stand prepared to cooperate in the firefighting plan for their homes -- including the development of appropriate water pumping station and/or provision/location of supplemental equipment on their property. Like road maintenance and other infrastructure provisions, we feel this is a responsibility of the HOA. Utility service generally is also a key component of access although it need not be provided by the same route as human transport.

I understand that the permits have been granted for beach re-nourishment, and we are certainly glad to hear of that development. We also understand that an effort is being made to seek a change in the zone classification to facilitate federal assistance with beach re-nourishment. In the meantime, we want to encourage an expedited effort to reconstruct the seawall on the 17th fairway coastline to the north of the Halwigs' property as this will also serve to strengthen their existing seawall and property stability. We also encourage the continued pursuit of possible groins to combat future erosion.

Please feel free to contact me with any developments or requests for assistance. *Again, we appreciate the cooperation shown to date, but we must make efforts to expedite these solutions.*

Sincerely,

TURNER PADGET GRAHAM & LANEY P.A.

J. René Josey

JRJ:mjs

From: Crow, Ken <kcrow@centurygolf.com>
Sent: Friday, March 4, 2016 10:49 AM
To: Josey, J. Rene
Subject: Easement for Halwig home

Rene,

Good Morning!

Below are some thoughts just to make sure that we are on the same page, as we move forward, for easement for the Halwig home.

- Melrose Club agrees to allow golf cart easement across the golf course to access the Halwig home.
- All construction related to this easement, both labor and materials, will be paid for by the Halwig's. The Melrose Club will have final say of products and contractors to be use on it's property.
- The Melrose Club, members, ownership group, property owners association and employees will be protected by insurance that the Halwig's will maintain.
- Should any legal action occur the Halwig's will cover all legal expenses for the parties mentioned above.
- This is a temporary easement and both parties agree to continue to work towards a permanent situation.
- The Club will not be held responsible, should the road become impassable due to circumstances beyond our control. For lost revenue, medical emergency, fire emergency or any other damage that may occur due to the road being impassable.

Please review and let's try to discuss this afternoon or Monday at the latest. I know how I have left out a couple of items but let's discuss so we can keep this moving forward. I am speaking with the ownership group a little bit later today and will review this with them as well.

Thanks,
Ken

Sent from my iPhone

From: jmhalwigmd@aol.com
Sent: Thursday, October 13, 2016 2:07 PM
To: Josey, J. Rene
Subject: Re: Damage at Daufuski

We have had some damage to the ground floor of our home which will be covered by flood insurance and major damage to the seawall and oceanside yard and pool area which will not be covered.

We have verbal approval to rebuild the seawall and will be filing permits ASAP and have a contractor ready to go. This will be about \$150,000 which is still much less than purchasing another lot and moving the home. We will be getting some Federal help with filing casualty losses with the IRS and getting partial tax refunds.

Pelorus was behind in employee salaries, real estate taxes, etc and the golf carts and some of the golf course maintenance equipment were repossessed a couple of weeks ago. They were expecting a 1,500,000 investment prior to the storm. I do not know if they got it.

It is hard to see right now how they will be able to make it and not file for bankruptcy. As you suggested this may accelerate recovery with stronger partners.

I am planning for the possible need to move the water/sewer and electric service permanently.

-We had talked about rerouting the utilities through the Golf Course utility easement and under the course. We had Ken Crowe's verbal agreement to allow this but I want to get something in writing ASAP in case there is a bankruptcy. (I will send the map of this)

-I had spoken with the water company and they were fine with relocating water/sewer but suggested we would need to cover the cost. We need to find out if a public utility can do that.

-I am still trying to find someone from SCE&G to discuss the electric relocation with.

Mike

-----Original Message-----

From: Josey, J. Rene <JJosey@TurnerPadget.com>
 To: jmhalwigmd <jmhalwigmd@aol.com>
 Cc: Josey, J. Rene <JJosey@TurnerPadget.com>
 Sent: Wed, Oct 12, 2016 7:05 pm
 Subject: Damage at Daufuski

I got your message and feared there would be some damage at Daufuski from the storm. I pulled up and found this photo in the Island Packet on-line.

We have heard that the new golf course owner was, as suspected, financially struggling – I doubt if storm damage will help.

Maybe a chance for new ownership? Maybe overall Island damage will help accelerate governmental re-nourishment support?

I have meetings Thursday and Friday in Columbia but will attempt to call you Monday ; I may have the ability to read messages during some meetings – or call if I have a sufficient break in meetings.



South Carolina Office of Regulatory Staff

1401 Main St. Suite 900 Columbia, SC 29201 Phone: 800-922-1531 Fax: 803-737-4750

Consumer Complaint/Inquiry Form

Please complete this form, save it to your computer and then send it to complaints@regstaff.sc.gov. A member of the SC Office of Regulatory Staff will be in contact with you to address your complaint or inquiry.

If your utility service is scheduled for disconnection, please call the ORS at 1-800-922-1531.

Please fill out all fields marked with an asterisk *, as they are required.

Failure to complete required fields may cause a delay in responding to you.

Name*	<input type="text" value="John M. Halwig"/>	Date*	<input type="text" value="11/8/16"/>
Address*	<input type="text" value="46 Driftwood Cottage Lane"/>		
City*	<input type="text" value="Daufuskie Island"/>	ZIP Code*	<input type="text" value="29915"/>
Phone Number*	<input type="text" value="(404) 406-0416"/>	Email	<input type="text" value="JMHalwigMD@aol.com"/>
What utility/company is your complaint regarding?*	<input type="text" value="Daufuskie Island Utility Company"/>		
What is your account number?	<input type="text"/>		
Are you an authorized contact person for the account?* <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			

Please outline your complaint below. Be brief as the field is limited to 1000 characters. Further detail, if needed, can be gathered when a member of the ORS staff contacts you. *

I have requested specific information regarding the status of the Driftwood Cottage Lane water/sewer service and when service will be restored on 10/20/16 and again on 11/1/16. I have been advised that an outside contractor was retained to fix the sewer service but that there is not a specific date service will be restored. We have been without water/sewer service since Hurricane Matthew on 10/8/16 and have not been able to stay in the home.

To save or print the form, click on the Save/Print Form button below.

To save the form, choose Adobe PDF as your printer, then click print. This will bring up a menu asking where you want to save the document to your computer. Once you have saved the form, you can submit it through [email](#) or print it and fax or mail it to the ORS using the information listed at the top of this page.



From: jmhalwigmd@aol.com
Sent: Monday, November 28, 2016 11:07 AM
To: jt@pelorusmail.com; kcrow@centurygolf.com
Cc: Josey, J. Rene; bev.noller@gmail.com
Subject: Driftwood Cottage Lane
Attachments: LAB Driftwood Cottage Access.pdf

The water/sewer lines were washed out along the eroded part of Driftwood Cottage Lane so the two occupied houses (36 Driftwood Cottage-Nollers and 46 Driftwood Cottage-Halwigs) are currently without service and cannot be occupied. AN assessment has been made that the service needs to be relocated. There is an existing utility easement between and Martinangel Lane which is pretty much directly across from the lift station on Driftwood Cottage. (see attached page 1). I am asking for permission to run the water/sewer and potentially the electric service across the 17th fairway from that easement which is controlled by the Melrose POA. We will work out all the details with Daufuskie Island Utility Company.
Mike Halwig

C. DUKES SCOTT
EXECUTIVE DIRECTOR

1401 Main Street, Suite 900
Columbia, SC 29201



NANETTE S. EDWARDS
DEPUTY EXECUTIVE DIRECTOR

Toll Free: 1-800-922-1531
www.regulatorystaff.sc.gov

April B. Sharpe
Manager of Consumer Services

December 2, 2016

Dr. John Halwig
305 10th Street NE
Atlanta, Georgia 30309

RE: ORS File 2016-W-1682

Dear Dr. Halwig:

This letter is in response to your complaint filed at the Office of Regulatory Staff ("ORS") regarding Daufuskie Island Utility Company ("DIUC" or "Company"). In your complaint you state your property at 46 Driftwood Cottage Lane, Daufuskie Island, S.C. has been without water and sewer service since October 8, 2016 due to Hurricane Matthew. You are requesting DIUC provide a specific date that water and sewer service will be restored to the property.

The ORS contacted DIUC for assistance to investigate and respond to your complaint. According to DIUC, due to Hurricane Matthew, severe erosion occurred causing a wash out of the road and surrounding areas where the water and sewer mains were located. The water and sewer mains were destroyed and rendered unusable. DIUC states that the road and surrounding area will need to be restored and adequately protected from future erosion before the water and sewer mains can be reconstructed to provide service to this area.

DIUC states they are currently exploring other means of access to serve your property but have not obtained rights of way necessary to construct water and sewer infrastructure to serve your property. The Company states a specific date for restoration of water and sewer service to your property cannot be provided at this time.

ORS conducted a conference call with a representative from DIUC on December 1, 2016 and advised the Company of the following Public Service Commission ("PSC") Rules and Regulations:

PSC Wastewater and Water Regulations 103-540 and 103-740 state "Each utility, unless specifically relieved in any case by the commission from such obligation, shall operate

and maintain in safe, efficient and proper conditions of all of its facilities and equipment used in connection with the services it provides to any customer up to and including the point of delivery from systems or facilities owned by the customer."

PSC Wastewater Regulation 103-555 (e), states *"The utility shall be responsible for providing the location for the connection of the customer's service pipe to the utility's service pipe or the utility's main, whichever is applicable, at the utility's expense, and at no expense to the customer."*

PSC Wastewater Regulation 103-570 (B) states *"It shall be the obligation of each utility dependent upon its ability to procure and retain suitable facilities and rights for the construction and maintenance of the necessary system to furnish adequate sewerage service to customers in the area or territory in which it operates."*

PSC Water Regulation 103-755, *"When the utility renders temporary service to a customer, it may require that the customer bear all the cost of installing and removing the service in excess of any salvage realized."*

Based on ORS's review, the Public Service Commission of South Carolina's rules and regulations do not identify a specific time period for water and sewer service restoration. ORS will maintain contact with DIUC in regard to their efforts to restore water and sewer service to your property.

If you are not satisfied with the response from the ORS's investigation, you have the right to file your complaint with the PSC. To file a complaint with the PSC, you must complete the PSC's complaint form available online at www.psc.sc.gov. The completed form must then be mailed to the PSC at 101 Executive Center Drive, Suite 100, Columbia, S.C. 29210

If you have any questions, please contact me at 1-800-922-1531, extension 75194, or via e-mail at ccampbe@regstaff.sc.gov.

Sincerely,



Chad Campbell
Consumer Services
Office of Regulatory Staff

cc: Mike Guastella, Guastella and Associates (VIA E-MAIL)

Dawn Hipp, ORS Director, Utility Rates and Services

Sarah Johnson, ORS, Director, Utility Services

Willie Morgan, ORS, Director, Utility Rates

April Sharpe, ORS, Manager, Consumer Services

From: jmhalwigmd@aol.com
Sent: Tuesday, December 13, 2016 11:04 AM
To: admin@guastella.com
Cc: bev.noller@gmail.com; Josey, J. Rene
Subject: Re: J. Michael Halwig MD commented on your site!
Attachments: LAB II Request for Easement.docx; Melrose Utility Easement.pdf; Melrose Utility Easement Creation.pdf

I have been told by Ken Crow, from Century Golf which is the company that manages Melrose for the Pelorus Group, that a written request asking to relocate the Driftwood Cottage Lane water/sewer service across the golf course would help accelerate the process of their approval of an easement to allow for this.

I have attached a draft letter that you may want to use.

I would appreciate it if you would email or mail it or whatever you wish draft to JT Bramlette, the owner of Melrose, and Ken Crow, the manager of Melrose-

jt@pelorusmail.com

-kcrow@centurygolf.com

J T Bramlette
 222 Main St
 Suite 1910
 Salt Lake City, UT
 84101

A have also attached the appropriate documents regarding this.

Time is of the essence. We and the Nollers have not had access to our homes since October 8th due to the lack of water/sewer service. We have had to cancel 11 days of rentals for a total of \$8736.36 in lost rental income and have had to reschedule another 11 days since the Hurricane. We lost 3 days of planned personal use and will be losing an additional 7 days over Christmas to New Years. I am sure the Nollers have also lost significant use of their home also.

I would appreciate you prompt attention to this matter. Our next step will be to file a formal complaint with the SC Public Service Commission if service is not restored within the next 2 weeks.

I am also forwarding this to our attorney J. Rene Josey of the firm Turner Padgett.

MH

-----Original Message-----

From: Guastella Admin <admin@guastella.com>
 To: JMHalwigMD <JMHalwigMD@aol.com>
 Sent: Fri, Dec 9, 2016 11:51 am
 Subject: Re: J. Michael Halwig MD commented on your site!

Mr. Halwig,

I have forwarded your message, as requested. We will also accept any written documentation that you would like to provide.

Sincerely,
 Carolyn Carleton
 Daufuskie Island Utility Company, Inc

PO BOX 360
Northborough, MA 01532
617-423-3030

****PLEASE NOTE OUR NEW MAILING ADDRESS**

****You can now pay online at www.DaufuskielandUtility.com**

On Dec 8, 2016, at 2:47 PM, J. Michael Halwig MD <support@strikingly.com> wrote:

J. Michael Halwig MD commented on your site
(<http://www.daufuskielandutility.com/>):

I have a verbal approval from JT Bramlett, Pelorus to allow the water/sewer to go across the 17th hole from the existing utility easement to Driftwood Cottage Lane and expect to have written approval by early next week. What needs to be done to relocate the service ASAP? We have been without service for 2 months. The ORS has now reviewed your "plan". Please forward this email directly to Mike Gustella.

Name: J. Michael Halwig MD

Email: JMHalwigMD@aol.com

*Reply to this email directly to respond to J. Michael Halwig MD
(JMHalwigMD@aol.com).*

VIEW ALL RESPONSES

support@strikingly.com

JT Bramlette

The Pelorus Group

222 Main St

Suite 1910

Salt Lake City, UT 84101

12/13/16

Mr. Bramlette,

As you may be aware the water/sewer service that supplies the residents of the remaining portion of Driftwood Cottage Lane was washed out during Hurricane Matthew. A decision has been made that it will be necessary to relocate the service. The existing Utility Easement between lot 23 (80 Martinangel Lane) and lot 24 (78 Martinangel Lane) is the best location for the service with a newly created utility easement from that location to Driftwood Cottage Lane across the 17th Fairway will be necessary to complete this process.

We are requesting your immediate approval of this new easement to be determined. See the attached documents to accomplish this.

Sincerely,

Daufuskie Island Utility Service

Turner | Padget

REPLY TO:

J. René Josey

E-Mail: RJosey@TurnerPadget.com
 Writer's Direct Dial: (843) 656-4451
 Writer's Direct Fax: (843) 413-5818

December 20, 2016

Via Facsimile (admin@guastella.com)

Michael J. Guastella
 Vice President and Manager
 Daufuskie Island Utility Company
 803 Haig Point Road
 Daufuskie Island, SC 29915

Re: Utility Service to Homes on Driftwood Cottage Lane, Daufuskie Island
 TP File No.: 13826.101

Dear Mr. Guastella:

The above-referenced matter is urgent as property rental and usage is being prevented. As you may be aware, I represent Dr. and Mrs. Michael Halwig with regard to their property issues at their home at Driftwood Cottage Lane on Daufuskie Island.

As I am sure you are aware, utility service there has recently ended as a result of erosion. Nevertheless, I am sure you are also aware that efforts are being made to protect and save these homes. In that regard, I have been working with Ken Crow of Century Golf with regard to physical access for visitors to these homes. I have also discussed with him utility access through a more reliable route. In that regard, I understand that the golf course is prepared to work with your company to provide utility service to these homes as soon as possible.

In that regard, I must ask that you act with all deliberate speed to initiate the rerouting of water and sewer utilities to these homes; in particular, the Halwig and Noller homes which I understand remain under reliable electrical utility service. In order that we may avoid escalation of this matter to additional parties/regulators, I would ask that you respond with your commitment within 48 hours of receipt of this letter. I appreciate your attention to the matter.

Sincerely,

TURNER PADGET GRAHAM & LANEY P.A.

J. René Josey

JRJ:mjs

Cc: Mike Halwig (via email)
 Ken Crow (via email)

TURNER PADGET GRAHAM & LANEY P.A.
 Columbia | Charleston | Greenville | Florence | Myrtle Beach

www.turnerpadget.com P 843-662-9008 F 843-667-0828
 319 South Irby St. (29501) | P.O. Box 5478, Florence, SC 29502

Complainants 00058

Duke, Daphne

From: Margaret Marks <margaret.marks@nelsonmullins.com>
Sent: Thursday, January 17, 2019 3:23 PM
To: Duke, Daphne
Subject: RE: Halwig/Noller Exhibits
Attachments: 2019.01.16 535 p.m. e-mail.pdf; 2019.01.16 533 p.m. e-mail.pdf

Daphne,

My boss, Jack Smith, asked me to be sure to provide you with the attached e-mails which were sent yesterday after I couldn't file the exhibits electronically.

Thanks for all of your help,



MARGARET MARKS ADMINISTRATIVE ASSISTANT
 margaret.marks@nelsonmullins.com
 LIBERTY CENTER | SUITE 600
 151 MEETING STREET | CHARLESTON, SC 29401
 T 843.534.4844 F 843.722.8700
 NELSONMULLINS.COM

From: Duke, Daphne [mailto:Daphne.Duke@psc.sc.gov]
Sent: Thursday, January 17, 2019 3:13 PM
To: Margaret Marks <margaret.marks@nelsonmullins.com>
Subject: RE: Halwig/Noller Exhibits

No attachments.

From: Margaret Marks [mailto:margaret.marks@nelsonmullins.com]
Sent: Thursday, January 17, 2019 3:10 PM
To: Duke, Daphne <Daphne.Duke@psc.sc.gov>
Subject: Halwig/Noller Exhibits

Daphne,

Did you get them through the secure file transfer I sent you?



MARGARET MARKS ADMINISTRATIVE ASSISTANT
 margaret.marks@nelsonmullins.com
 LIBERTY CENTER | SUITE 600
 151 MEETING STREET | CHARLESTON, SC 29401
 T 843.534.4844 F 843.722.8700

NELSONMULLINS.COM

Confidentiality Notice

This message is intended exclusively for the individual or entity to which it is addressed. This communication may contain information that is proprietary, privileged, confidential or otherwise legally exempt from disclosure. If you are not the named addressee, you are not authorized to read, print, retain, copy or disseminate this message or any part of it. If you have received this message in error, please notify the sender immediately either by phone (800-237-2000) or reply to this e-mail and delete all copies of this message.

ADDENDUM TO CUSTOMER SERVICE AGREEMENT

EXHIBIT A

Daufuskie Island Utility Company, Inc.

725 N. Hwy A1A, Suite B103, Jupiter, FL 33477
888-635-7878

BY EMAIL

January 30, 2018

Ms. Bev Noller
36 Driftwood Cottage Ln
Daufuskie Island, SC 29915

Dr. Michael Halwig
46 Driftwood Cottage Ln
Daufuskie Island, SC 29915

RE: Customer Service Agreement for Customers located at
36 & 46 Driftwood Cottage Lane

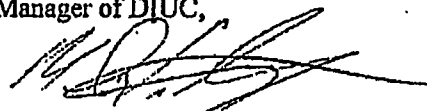
This Customer Agreement is necessary because of severe and continuous storm and tidal ocean erosion that destroyed the section of road located between 22 and 33 Driftwood Cottage Ln, containing Daufuskie Island Utility Company's ("DIUC") water and sewer facilities. Because these facilities could not be replaced as originally designed, DIUC is unable to provide service to customers located at 36 & 46 Driftwood Cottage Ln ("Customers"). As an alternative, DIUC provided Customers with a "Letter of Intent" to serve the customers by connecting to existing mains along Martinangel Ln. and install new mains and facilities ("Project Mains") through the Melrose Golf course to the Customers premises.

DIUC will serve Customers under the following terms of this agreement:

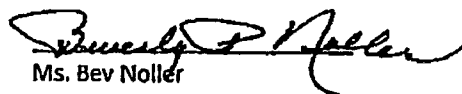
1. In order to protect other customers from sharing in the cost responsibility, it would be the responsibility of the affected Customers to have the Project Mains installed in accordance with the plans they solicited from Thomas & Hutton, at their cost.
2. The installation of the Project Mains must comply with all applicable laws, ordinances, rules, regulations and lawful orders of governmental authorities, and approved by DIUC.
3. Customers will provide DIUC with the following documents: written approval by the owners of the Melrose golf course for the Project Mains installation; easements of sufficient width for the perpetual access to repair, replace and maintain the Project Mains, invoices pertaining to all costs incurred including but not limited to, engineering, permitting and construction.
4. Upon completion of the Project Mains installation, Customers must submit detailed "as built" drawings prepared by a licensed surveyor.
5. Upon Completion of the Project Main, Customers will provide DIUC with an acknowledged bill of sale transferring them to DIUC, and they shall be and remain the property of DIUC and its heirs and successors, and will be treated as contributed for rate setting purposes.
6. The Customers shall not for any reason be entitled to any refunds with respect to the Project Mains or any future extension or use of those facilities.

Under the circumstances of the need for this agreement, there will be no charge for administrative fees. Upon execution of this agreement and compliance with its provisions, service will be connected to Customers premises.

GUASTELLA ASSOCIATES, LLC
Manager of DJUC,



Mike J. Guastella
Vice President- Operations



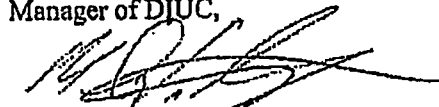
Ms. Bev Noller

Dr. Michael Halwig

Cc: Willie Morgan
Chad Campbell

Under the circumstances of the need for this agreement there will be no charge for administrative fees. Upon execution of this agreement and compliance with its provisions, service will be connected to Customers premises.

GUASTELLA ASSOCIATES, LLC
Manager of DJUC,



Mike J. Guastella
Vice President- Operations

G---:p--~
Ms. Bev Noller

 2/1/18
Dr. Michael Halwig

Cc: Willie Morgan
Chad Campbell

ADDENDUM TO CUSTOMER SERVICE AGREEMENT

EXHIBIT B

BILL OF SALE OF WATER AND WASTEWATER EQUIPMENT

John M. Halwig and Nancy D. Halwig and Stephen A. Noller and Beverly P. Noller ("Grantors"), for and in consideration of the sum of FIVE AND NO/100 (\$5.00) DOLLARS to it in hand paid at and before the sealing of these presents, by the DAUFUSKIE ISLAND UTILITY CORPORATION, INC. ("DIUC" or "Grantee"), (the receipt whereof is hereby acknowledged) have granted, bargained, sold and released, and by these presents do grant, bargain, sell and release unto the said DIUC their right, title, and interest in and to the following described water and wastewater equipment, to wit:

The equipment, including but not limited to all piping, conduit and other materials, used for water and wastewater transportation and treatment serving the residences owned by Grantors at 36 and 46 Driftwood Cottage Lane, Daufuskie Island, South Carolina, as is more particularly shown and depicted on the plans and specifications prepared by Thomas & Hutton Engineering, bearing the date of May 17, 2017, installed by PINCO, Inc. in July, August and September 2018. Attached is the detailed list of all tangible components and of payments for such components and services related to installation.

By acceptance of this water and wastewater equipment Grantee assumes all responsibility for the maintenance and repair of said equipment in the normal course of providing its water and wastewater services to the Grantors' properties.

Whereby we put our hands and seals this 9 day of Oct., 2018.

36 Driftwood Cottage Lane, Daufuskie Island, SC

Stephen A Noller

Stephen A noller

Stephen A. Noller

Beverly P Noller

Beverly P. Noller

46 Driftwood Cottage Lane, Daufuskie Island, SC

John M. Halwig

Nancy D. Halwig

BILL OF SALE OF WATER AND WASTEWATER EQUIPMENT

John M. Halwig and Nancy D. Halwig and Stephen A. Noller and Beverly P. Noller ("Grantors"), for and in consideration of the sum of FIVE AND NO/100 (\$5.00) DOLLARS to it in hand paid at and before the sealing of these presents, by the DAUFUSKIE ISLAND UTILITY CORPORATION, INC. ("DIUC" or "Grantee"), (the receipt whereof is hereby acknowledged) have granted, bargained, sold and released, and by these presents do grant, bargain, sell and release unto the said DIUC their right, title, and interest in and to the following described water and wastewater equipment, to wit:

The equipment, including but not limited to all piping, conduit and other materials, used for water and wastewater transportation and treatment serving the residences owned by Grantors at 36 and 46 Driftwood Cottage Lane, Daufuskie Island, South Carolina, as is more particularly shown and depicted on the plans and specifications prepared by Thomas & Hutton Engineering, bearing the date of May 17, 2017, installed by PINCO, Inc. in July, August and September 2018. Attached is the detailed list of all tangible components and of payments for such components and services related to installation.

By acceptance of this water and wastewater equipment Grantee assumes all responsibility for the maintenance and repair of said equipment in the normal course of providing its water and wastewater services to the Grantors' properties.

Whereby we put our hands and seals this 10th day of October 2018.

36 Driftwood Cottage Lane, Daufuskie Island, SC

Stephen A. Noller

Beverly P. Noller

46 Driftwood Cottage Lane, Daufuskie Island, SC

John M. Halwig
John M. Halwig

Nancy D. Halwig
Nancy D. Halwig

Supplemental Schedule

PINCO

Period: 7/1/18 August 28, 2018

Pay Request No 03-F

Melrose, 36 & 46 Driewood Cottage Lane

Line Item	DESCRIPTION	Contract Quantity	Unit Price	Total Price	This Month Quantity	This Month \$ Amount	Previous Quantity	Previous \$ Amount	To Date Quantity	To Date \$ Amount	Percent Complete
1	Mobilization / DeMobilization	Lump Sum	\$ 11,700.00	\$ 11,700.00	0	\$ -	1	\$ 11,700.00	1	\$ 11,700.00	100.00%
2	Erosion Control	Lump Sum	\$ 1,200.00	\$ 1,200.00	0	\$ -	1	\$ 1,200.00	1	\$ 1,200.00	100.00%
3	8" PVC water Main	507	\$ 29.58	\$ 14,997.06	0	\$ -	533	\$ 15,766.14	507	\$ 14,997.06	100.00%
4	1.5" HDPE Force Main	550	\$ 12.55	\$ 6,902.50	0	\$ -	542	\$ 6,802.13	550	\$ 6,902.50	100.00%
5	1.25" HDPE Force Main	360	\$ 15.14	\$ 5,450.40	0	\$ -	346	\$ 5,238.44	360	\$ 5,450.40	100.00%
6	2" Grinder Station Installation	Lump Sum	\$ 4,600.00	\$ 4,600.00	0	\$ -	1	\$ 4,600.00	1	\$ 4,600.00	100.00%
7	Concrete 24" diameter water main to lateral	Lump Sum	\$ 2,550.00	\$ 2,550.00	0	\$ -	1	\$ 2,550.00	1	\$ 2,550.00	100.00%
8	Can Existing Sowers	1	\$ 900.00	\$ 900.00	0	\$ -	1	\$ 900.00	1	\$ 900.00	100.00%
9	Cap Existing 8" Water Main	1	\$ 1,150.00	\$ 1,150.00	0	\$ -	1	\$ 1,150.00	1	\$ 1,150.00	100.00%
10	Connect 1.5" FM to Ext. MH	1	\$ 2,300.00	\$ 2,300.00	0	\$ -	1	\$ 2,300.00	1	\$ 2,300.00	100.00%
11	Connect new 8" to existing WRM Main	1	\$ 6,600.00	\$ 6,600.00	0	\$ -	1	\$ 6,600.00	1	\$ 6,600.00	100.00%
12	Electrical Connection	1	\$ 7,000.00	\$ 7,000.00	0	\$ -	1	\$ 7,000.00	1	\$ 7,000.00	100.00%
	Sub Total	-	\$ -	\$ 65,349.00	-	\$ -	-	\$ 65,349.00	0	\$ 65,349.00	
	Change Order D1	-	\$ -	\$ -	-	\$ -	-	\$ -	0	\$ -	
1	Re-connect sewer line	LS	\$ 875.00	\$ 875.00	0	\$ -	1	\$ 875.00	1	\$ 875.00	100.00%
2	Connect waterline	LS	\$ 1,275.00	\$ 1,275.00	0	\$ -	1	\$ 1,275.00	1	\$ 1,275.00	100.00%
3	Re-mobilize and De-Mobilize	LS	\$ 4,310.00	\$ 4,310.00	0.25	\$ 1,077.50	0.75	\$ 3,232.50	1	\$ 4,310.00	100.00%
4	Added Legal Fees	3	\$ 300.00	\$ 900.00	0	\$ -	3.2	\$ 960.00	3	\$ 900.00	100.00%
5	Re-Evaluate pipe ends	LS	\$ 1,670.00	\$ 1,670.00	0	\$ -	1	\$ 1,670.00	1	\$ 1,670.00	100.00%
6	Continue Search & Full Flush	LS	\$ 1,625.00	\$ 1,625.00	0	\$ -	1	\$ 1,625.00	1	\$ 1,625.00	100.00%
	Sub-Total	-	\$ -	\$ 10,655.00	-	\$ -	-	\$ 9,637.50	0	\$ 10,655.00	100.00%
	Summary Change Order 02	LS	\$ 483.72	\$ 483.72	-	\$ 483.72	-	\$ -	0	\$ 483.72	100%
	TOTAL	-	\$ -	\$ 76,487.72	-	\$ 1,077.50	-	\$ 5,252.52	0	\$ 76,487.72	

ADDENDUM TO CUSTOMER SERVICE AGREEMENT

EXHIBIT C

RECORD DRAWING

DAUFUSKIE ISLAND - MELROSE - DRIFTWOOD LANE WATER AND SEWER RELOCATION RECORD DRAWING

BEAUFORT COUNTY, SC

PREPARED FOR:
DR. HALWIG & MS. NOLLER
46 & 36 DRIFTWOOD LANE

AUGUST 2018

J-26606.0000

PREPARED BY:

THOMAS & HUTTON
Engineering | Surveying | Planning | GIS | Consulting



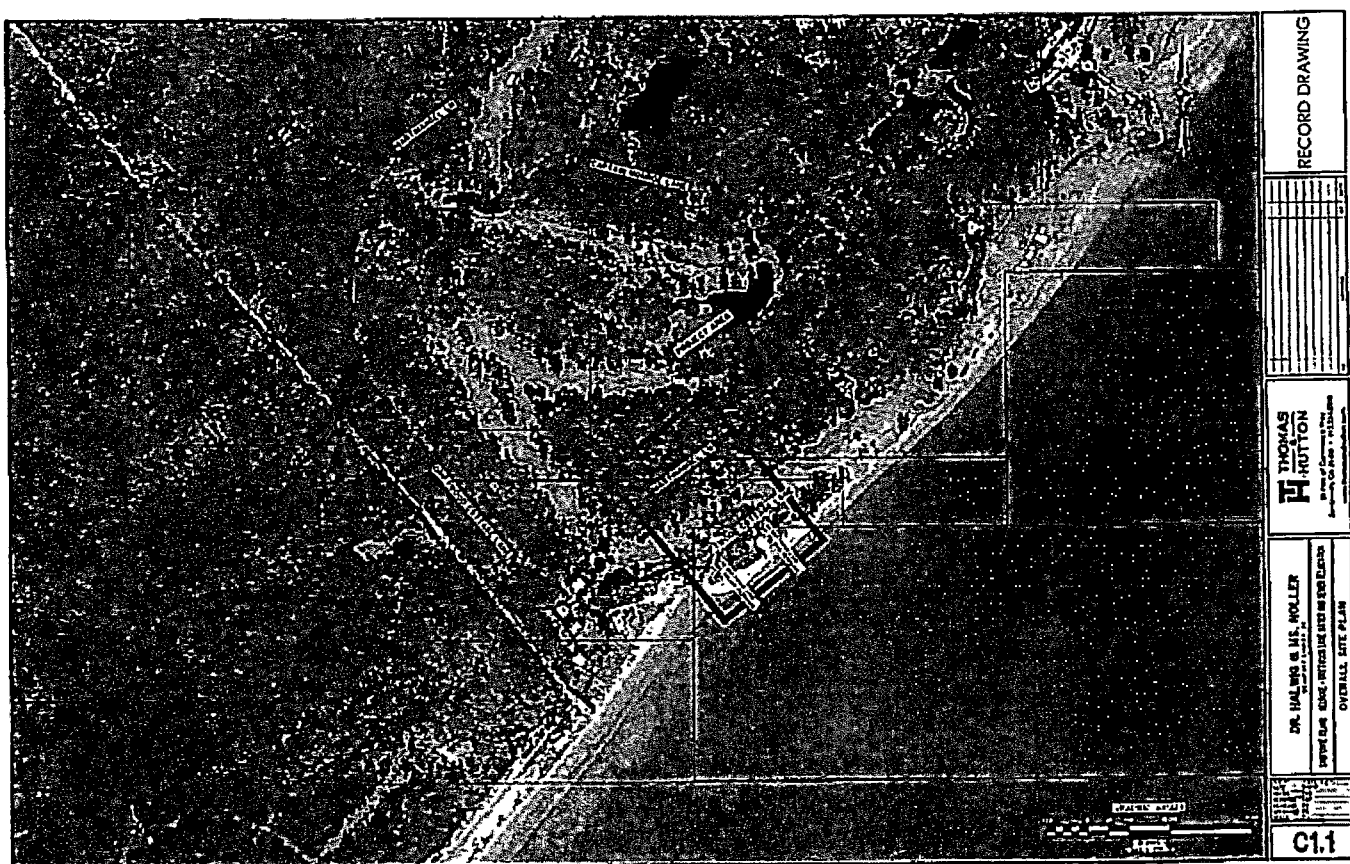
VICINITY MAP
SCALE 1" = 200'

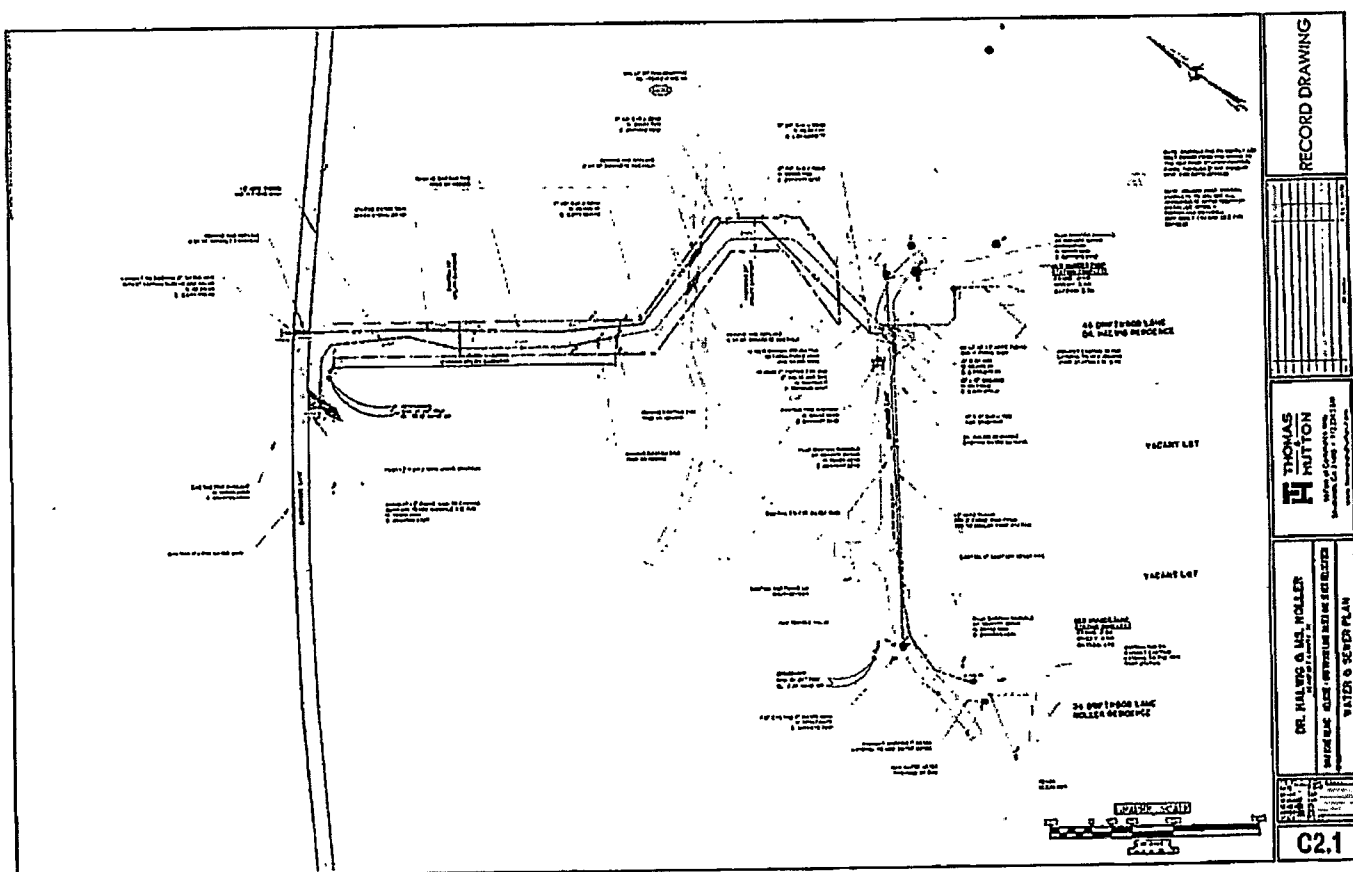
Sheet List Table	
Sheet Number	Sheet Description
101	Site Plan
102	Sanitary Sewer Main Layout
103	Sanitary Sewer Branch Layout
104	Water Main Layout
105	Water Branch Layout
106	Storm Sewer Main Layout
107	Storm Sewer Branch Layout
108	Storm Sewer Catchment Basin
109	Storm Sewer Manhole
110	Storm Sewer Valve
111	Storm Sewer Vent
112	Storm Sewer Inlet
113	Storm Sewer Outlet
114	Storm Sewer Access
115	Storm Sewer Easement
116	Storm Sewer Right of Way
117	Storm Sewer Easement
118	Storm Sewer Easement
119	Storm Sewer Easement
120	Storm Sewer Easement

DRAWING OF RECORD

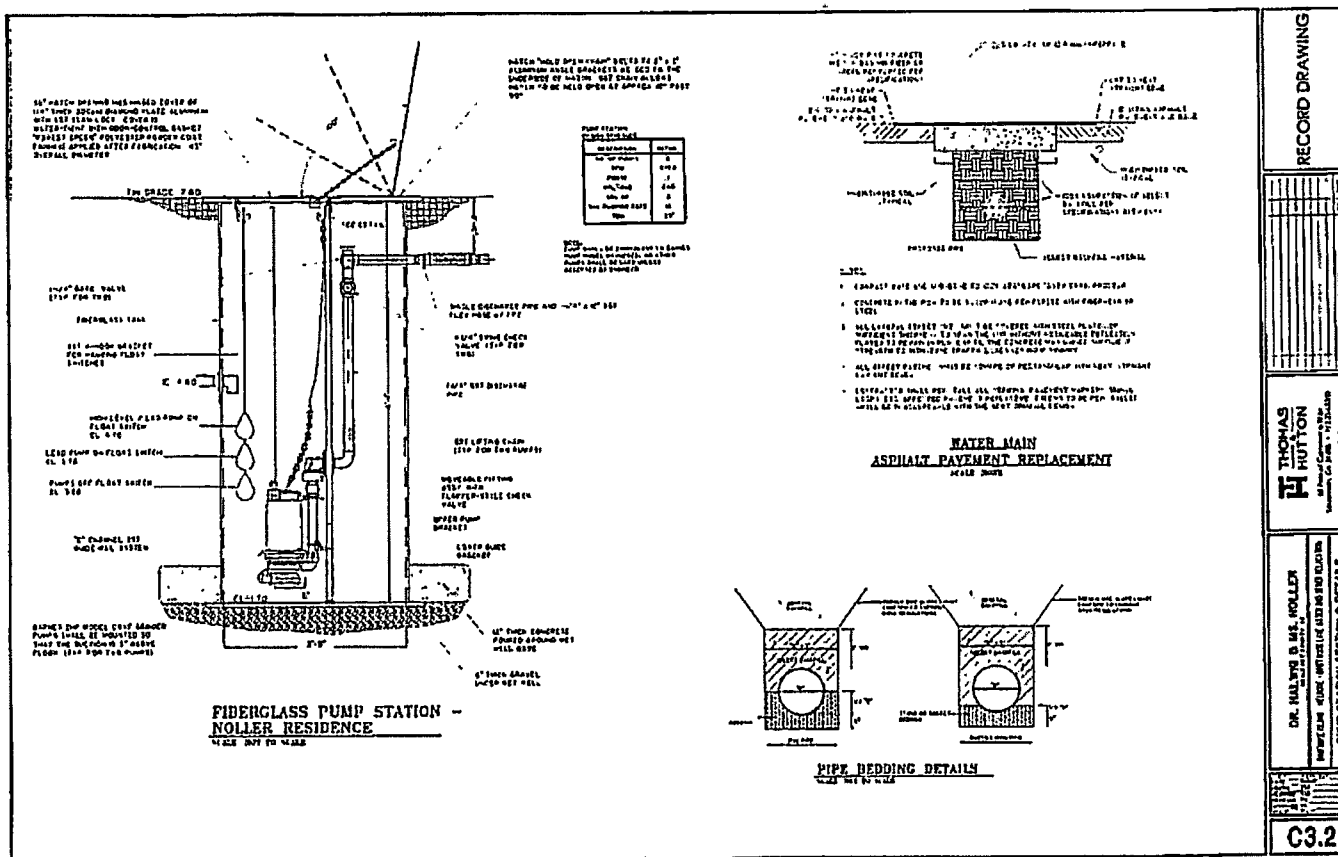


THOMAS & HUTTON
1000 S. Commons Way
Lawrenceville, GA 30046
770.962.1111 FAX 770.962.1112











[illegible]

ADDENDUM TO CUSTOMER SERVICE AGREEMENT

EXHIBIT D

Supplemental Schedule

PINCO

Period Thru August 28, 2018

McRoske, 36 & 46 Driftwood Cottage Lane

Pay/Request No. 03-F

Line Item	DESCRIPTION	Contract Quantity	Unit Price	Total Price	This Month Quantity	This Month \$ Amount	Previous Quantity	Previous \$ Amount	Quantity	To Date \$ Amount	Percent Complete
1	Mobilization / Demobilization	Lump Sum	\$ 11,700.00	\$ 11,700.00	0	\$ -	1	\$ 11,700.00	1	\$ 11,700.00	100.00%
2	Erosion Control	Lump Sum	\$ 1,200.00	\$ 1,200.00	0	\$ -	1	\$ 1,200.00	1	\$ 1,200.00	100.00%
3	8" PVC Water Main	507	\$ 29.58	\$ 14,997.06	0	\$ -	533	\$ 15,766.14	507	\$ 14,997.06	100.00%
4	1.5" HDPE Force Main	550	\$ 12.55	\$ 6,902.50	0	\$ -	542	\$ 6,802.10	550	\$ 6,902.50	100.00%
5	1.25" HDPE Force Main	360	\$ 15.14	\$ 5,450.40	0	\$ -	348	\$ 5,238.44	360	\$ 5,450.40	100.00%
6	2 Electrical Stations Installation	Lump Sum	\$ 4,600.00	\$ 4,600.00	0	\$ -	1	\$ 4,600.00	1	\$ 4,600.00	100.00%
7	General Excavation Station to Street	Lump Sum	\$ 2,550.00	\$ 2,550.00	0	\$ -	1	\$ 2,550.00	1	\$ 2,550.00	100.00%
8	Cap Existing Sewers	1	\$ 900.00	\$ 900.00	0	\$ -	1	\$ 900.00	1	\$ 900.00	100.00%
9	Cap Existing 8" Water Main	1	\$ 1,150.00	\$ 1,150.00	0	\$ -	1	\$ 1,150.00	1	\$ 1,150.00	100.00%
10	Connect 1.5" FM to Ext. MH	1	\$ 2,300.00	\$ 2,300.00	0	\$ -	1	\$ 2,300.00	1	\$ 2,300.00	100.00%
11	Connect new 8" to Existing Wrm Main	1	\$ 6,600.00	\$ 6,600.00	0	\$ -	1	\$ 6,600.00	1	\$ 6,600.00	100.00%
12	Electrical Connection	1	\$ 7,000.00	\$ 7,000.00	0	\$ -	1	\$ 7,000.00	1	\$ 7,000.00	100.00%
	Sub Total	-	\$ -	\$ 65,349.00		\$ -		\$ 65,349.00	0	\$ 65,349.00	
	Change Order 01	-	\$ -	\$ -		\$ -		\$ -	0	\$ -	
1	Re-connect sewer line	LS	\$ 875.00	\$ 875.00	0	\$ -	1	\$ 875.00	1	\$ 875.00	100.00%
2	Connect waterline	LS	\$ 1,275.00	\$ 1,275.00	0	\$ -	1	\$ 1,275.00	1	\$ 1,275.00	100.00%
3	Re-mobilize and De-Mobilize	LS	\$ 4,310.00	\$ 4,310.00	0.25	\$ 1,077.50	0.75	\$ 3,232.50	1	\$ 4,310.00	100.00%
4	Added Legal Fees	3	\$ 300.00	\$ 900.00	0	\$ -	3.2	\$ 960.00	3	\$ 900.00	100.00%
5	Re-Excavate pipe ends	LS	\$ 1,670.00	\$ 1,670.00	0	\$ -	1	\$ 1,670.00	1	\$ 1,670.00	100.00%
6	Continue/Starch 2' Full Flush	LS	\$ 1,625.00	\$ 1,625.00	0	\$ -	1	\$ 1,625.00	1	\$ 1,625.00	100.00%
	Sub-Total			\$ 10,655.00		\$ 1,077.50		\$ 9,577.50	0	\$ 10,655.00	100.00%
	Summary Change Order 02	LS	\$ 483.72	\$ 483.72		\$ 483.72		\$ -	0	\$ 483.72	100%
	TOTAL			\$ 76,487.72		\$ 1,077.50		\$ 75,410.22	0	\$ 76,487.72	

THOMAS & HUTTON

50 PARK OF COMMERCE WAY | POST OFFICE BOX 2727
SAVANNAH, GA 31402-2727 | 912.234.5300
WWW.THOMASANDHUTTON.COM

October 11, 2018

Dr. Halwig /Ms. Beverly Noller
305 Tenth Street NE
Atlanta, GA 30309

Re: Daufuskie Island- Melrose
Driftwood Lane
House # 36- Owned by Ms. Beverly Noller
House # 46- Owned by Dr. Halwig

Professional Services from July 29, through August 25, 2018

Phase:	Description of Work	Contract Budget Amount	Previously Billed/to date	Current Invoice	Balance to complete
0010	General Consulting	\$2,000.00	\$2000.00	\$0.00	\$0.00
0470	Topographic Survey	\$4,000.00	\$4000.00	\$0.00	\$0.00
0510	Engineering Design	\$10,000.00	\$10,000.00	\$0.00	\$0.00
0610	Permits	\$7,000.00	\$7000.00	\$0.00	\$0.00
0720	Construction Services	\$15,000.00	\$9,037.50	\$5,962.50	\$0.00
0010	Reimbursable Expe.	\$3,000.00	\$1,256.35	\$63.02	\$1,680.63
Current Invoice Sub Total		\$41,000.00	\$33,320.83	\$6,025.52	\$1,680.63

Sincerely,

THOMAS & HUTTON



Fred Sororian, P.E.
Project Manager

FS/chl

Complainants 00171

10/10/2018

Road and cart path repair

From: Joe Davis <joedavis5958@gmail.com>
To: Mike Halwig <Jmhalwlgmd@aol.com>
Subject: Road and cart path repair
Date: Thu, Aug 30, 2018 9:59 am

Invoice

From Joe Davis
To Mike Halwig.

Forum and pour the road and cart path that had to be cut out for water and sewer for the Halwig and Noller houses. Mat. 4 yards of concrete 1400.00. Labor 1250.00. Total 2650.00 Completed on 8/24/18.

Miko please transfer funds to my account. Thanks
Sent from my iPhone

SILS Sea Island Land Survey, LLC
 10 Oak Park Drive, Unit C1
 Hilton Head Island, SC 29926

INVOICE #	DUE DATE
1707002	10/7/2018
Accounts not paid by due date are subject to a 1.5% monthly late charge.	

BILL TO
John Halwig 305 10th Street NE Atlanta, GA 30309

INVOICE DATE	TERMS	P.O. No.		
10/5/2018	Due upon completion			
ITEM	DESCRIPTION	QTY	RATE	AMOUNT
ASB	Portion of Melrose Club Property, Melrose Golf Course, Area between Driftwood Cottage & Martinangel, Daufuskie Island, Beaufort County, South Carolina	1	1,050.00	1,050.00
TR	Asbuilt Survey of newly completed water/ sewer lines. Transport charges to/from Daufuskie Island Ordered by and Prepared for Dr. Halwig	1	250.00	250.00
Thank you for your business. We look forward to serving you again.		Invoice Total \$1,300.00		
		Payments/Credits \$0.00		
		Balance Due \$1,300.00		

Tel: 843-681-3248 Fx: 843-689-3871

Email: sils@sprynet.com

Complainants 00173

Payee: SCDHEC OCRM

Check #: 880677

Vendor ID: 37581

Vendor Assigned Customer #:

Check Date: Aug 20/18

<u>Inv #</u>	<u>Inv Date</u>	<u>G/L Acct</u>	<u>Client</u>	<u>Matter</u>	<u>Narrative</u>	<u>Amount</u>	<u>Inv Total</u>
082018	Aug 20/18		054041	09000		\$125.00	\$250.00
			VENDOR: SCDHEC OCRM INVOICE#: 082018 DATE: 8/20/2018 - 08/20/18 - Water & Sewer Permit Application fee				
			055561	09000		\$125.00	
			VENDOR: SCDHEC OCRM INVOICE#: 082018 DATE: 8/20/2018 - 08/20/18 - Water & Sewer Permit Application fee				
Invoice Totals:						\$250.00	\$250.00

hand-delivered 8-21-18 - KKarlsn

ADDENDUM TO CUSTOMER SERVICE AGREEMENT

EXHIBIT E



G. Trenholm Walker
Thomas P. Gressette, Jr.
Ian W. Freeman
John P. Linton, Jr.
Charles P. Summerall, IV

THOMAS P. GRESSETTE, JR.
Direct: 843.727.2249
Email: Gressette@WGFLAW.com

Statement of Attorney Fees

During the period from July 2, 2018 through October 20, 2018, I performed legal work for Daufuskie Island Utility Company, Inc. (DIUC) regarding the installation, permitting, and sale to DIUC of certain water mains and facilities ("Project Mains") installed by Michael Halwig, Nancy Halwig, Beverly Noller and Stephen Noller.

The Project Mains are located within the DIUC service area on Daufuskie Island, South Carolina.

During the aforementioned period, DIUC has incurred attorney fees totaling \$3,900.00 for my services.

/s/ Thomas P. Gressette, Jr.
Thomas P. Gressette, Jr.
Member
Walker Gressette Freeman & Linton, LLC

October 20, 2018
Charleston, South Carolina

ADDENDUM TO CUSTOMER SERVICE AGREEMENT

EXHIBIT F

Borstein, M.

Thu	8/9/2018	In	10:27AM	1	HHI FERRY READER IN 1
Thu	8/9/2018	In	10:27AM	1	HHI FERRY READER IN 1
Thu	8/9/2018	Out	12:37PM	1	DI FERRY FIXED READER
Thu	8/9/2018	Out	12:37PM	1	DI FERRY FIXED READER

Borstein, M.

Thu	8/2/2018	In	10:26AM	1	HHI FERRY READER IN 1
Thu	8/2/2018	Out	12:36PM	1	DI FERRY FIXED READER



HAIG POINT

— DAUFUSKIE ISLAND —

Daufuskie Island Utility
P.O. Box 360

Northborough, MA 01532



Haig Point
10 Haig Point Circle
Hilton Head Island, SC 29928
(800) 686-3441

STATEMENT

ACCOUNT NO	STATEMENT DATE
2800	08/31/2018

BALANCE DUE*

\$2,315.60

AMOUNT PAID

Please detach and return top portion with payment

DATE	REFERENCE	DESCRIPTION	AMOUNT	SVC CHG	TAX	TOTAL
		Balance Forward				\$2,691.54
8/1/18	160689	Marine	70.00	0.00	0.00	\$70.00
8/1/18	161453	Marine	35.00	0.00	0.00	\$35.00
8/2/18	161333	Marine	175.00	0.00	0.00	\$175.00
8/3/18	160832	Marine	105.00	0.00	0.00	\$105.00
8/4/18	160973	Marine	70.00	0.00	0.00	\$70.00
8/6/18	161097	Lodging Member Services	15.00	0.00	0.00	\$15.00
8/6/18	161199	Marine	105.00	0.00	0.00	\$105.00
8/7/18	161409	Marine	35.00	0.00	0.00	\$35.00
8/8/18	161514	Marine	70.00	0.00	0.00	\$70.00
8/9/18	161913	Marine	175.00	0.00	0.00	\$175.00
8/10/18	161940	Marine	105.00	0.00	0.00	\$105.00
8/11/18	162078	Marine	35.00	0.00	0.00	\$35.00
8/11/18	164092	Marine	20.00	0.00	0.00	\$20.00
8/12/18	162187	Marine	35.00	0.00	0.00	\$35.00
8/13/18	162272	Marine	70.00	0.00	0.00	\$70.00
8/13/18	162423	Marine	35.00	0.00	0.00	\$35.00
8/15/18	162577	Marine	35.00	0.00	0.00	\$35.00
8/15/18	1931	Payment				-\$2,691.54
8/16/18	162849	Marine	70.00	0.00	0.00	\$70.00
8/17/18	162933	Marine	105.00	0.00	0.00	\$105.00
8/17/18	164210	Marine	20.00	0.00	0.00	\$20.00
8/17/18	164226	Marine	40.00	0.00	0.00	\$40.00
8/18/18	163084	Marine	35.00	0.00	0.00	\$35.00
8/18/18	163187	Marine	105.00	0.00	0.00	\$105.00
8/20/18	163254	Marine	70.00	0.00	0.00	\$70.00
8/20/18	163513	Marine	70.00	0.00	0.00	\$70.00

MINIMUM	TO DATE	BALANCE	ENDING	2800	Daufuskie Island Utility
\$0.00	\$0.00	\$0.00			

CURRENT	OVER 30	OVER 60	OVER 90	BALANCE DUE
\$2,315.60	\$0.00	\$0.00	\$0.00	\$2,315.60

Balance due 30 days from date of statement. Please make checks payable to HPCCA.
If you have any questions, please contact Larry Chestnut @ 843-341-8147.

ADDENDUM TO CUSTOMER SERVICE AGREEMENT

EXHIBIT G



E. Bart Daniel
T 843.634.4123
bart.daniel@nelsonmullins.com

NELSON MULLINS RILEY & SCARBOROUGH LLP
ATTORNEYS AND COUNSELORS AT LAW

161 Meeting Street | Sixth Floor
Charleston, SC 29401-2239
T 843.853.6200 F 843.722.8700
nelsonmullins.com

September 11, 2018

Via Electronic and US Mail

Mr. Chad Campbell
Supervisor, Consumer Services
Office of Regulatory Staff
1401 Main Street, Suite 900
Columbia, South Carolina 29201

RE: ORS File No. 2016-W-1682
Daufuskie Island Utility Company, Inc. (DIUC)
Michael and Nancy Halwig
NMRS File No.: 54041/09000
Stephan and Beverly Noller
NMRS File No.: 055561/09000

Dear Chad:

Thank you very much for your prior communications with me concerning the situation on Daufuskie Island for the Halwigs and Nollers. The Daufuskie Island Utility Company, Inc. has required certain actions or payments by the Halwigs and Nollers, as we have discussed. This letter specifically requests information on the interpretation of the current rate structure for and authority of DIUC concerning the costs associated with the replacement of some of its water and sewer mains. Irrespective of whether there is any contract at issue, does the current rate structure, and the rate structure currently on appeal by DIUC, (1) preclude or (2) allow for the cost of replacement of any its mains to be required to be paid by some but not all of its customers? Asked another way, is the payment of the cost of replacement of any of its water and sewer infrastructure required to be paid by customers in the area affected by the replacement, or is it allowable or understood in its rate structure that the replacements of its infrastructure for water and sewer would be general cost attributable to all rate payers? Please indicate if there is a different answer depending upon whether the replacement is needed due to damage or destruction versus breakdown.

Prior to making a decision concerning filing a complaint regarding the situation we have discussed, we seek to understand whether the statement used by DIUC as basis for requiring the Halwigs and Nollers to pay for the cost of replacement has a solid foundation within the ORS regulations, PSC decisions, or its approved rate structure. The statement

Mr. Chad Campbell
 September 11, 2018
 Page 2

that has been continually made as a basis for requiring the Halwigs and Nollers to pay for the replacement mains under Driftwood Cottage Lane is that, "In order to protect other customers from sharing in the cost responsibility, it would be the responsibility of the affected customers to have the project mains installed in accordance with the plans." The decision on whether to take any action concerning this situation could be affected by the validity of the foundation of this statement by DIUC as a basis for requiring the full payment of all costs of the equipment, installation, permitting, engineering and other fees associated with the replacement mains to be paid by these customers.

Another question is whether or not the legal fees which DIUC is incurring in its filing of a rate case with the PSC, and with its multiple appeals of decisions by the PSC, are or can be charged to its customers as part of its typical administrative costs. The answer to this question is relative because DIUC has also demanded that the Halwigs and Nollers pay for DIUC's legal fees in regard to review of the documents for an easement in favor of DIUC from a third party property owner and other related documents, as well as in regard to all discussions with its attorney regarding the demand for payment itself.

Finally, the regulations for water and sewer utilities include the following:

Each utility, unless specifically relieved in any case by the commission from such obligation, shall operate and maintain in safe, efficient and proper conditions all of its facilities and equipment used in connection with the services it provides to any customer up to and including the point of delivery into systems or facilities owned by the customer.

See R.103-540 and 740.

Are these two regulatory requirements enforceable by the ORS, PSC or the courts? Has the PSC relieved DIUC, or any other utility, from the requirement stated in these regulations? If these regulations have been interpreted by the ORS or PSC, I would appreciate that information.

I appreciate the time and attention you have provided me on behalf of the Halwigs and Nollers, and look forward to your reply. Please do not hesitate to call me if you would prefer to discuss this prior to your response.

With best regards, I am

Very truly yours,



Newman Jackson Smith

NJS:et

cc: David Butler, Esquire



Newman Jackson Smith
T 843.634.4309 F 843.634.4350
jack.smith@nelsonmullins.com

NELSON MULLINS RILEY & SCARBOROUGH LLP
ATTORNEYS AND COUNSELORS AT LAW

151 Meeting Street | Sixth Floor
Charleston, SC 29401-2239
T 843.853.5200 F 843.722.8700
nelsonmullins.com

October 31, 2018

Gressette@WGFLAW.com
Thomas P. Gressette, Jr., Esquire
Walker Gressette Freeman Linton LLC
66 Hasell Street
Charleston, SC 29401

RE: 46 & 36 Driftwood Cottage Lane (Halwig and Noller Residences)
NMRS File Nos.: 54041/09000 and 055561/09000

Dear Tom:

I appreciate your sending me the Addendum to Customer Service Agreement and the exhibits thereto. However, the Halwigs and Nollers decline to agree to the Addendum, and must demand that Daufuskie Island Utility Company comply with the January 30, 2018 Customer Service Agreement. The Halwigs and Nollers have performed each and every responsibility that they have under that Agreement. They have provided all of the required documentation and the completed installation of the mains at their cost. DIUC has so far not turned on the water and sewer service even though the completion of all of the requirements of the Agreement has been documented to the DIUC. Instead of confirming a date this week when service would be restored, the Addendum proposes to re-trade the Agreement and impose terms never imagined or discussed when the Agreement was signed.

As early as December 2015 DIUC has claimed that it would not replace the mains to serve Driftwood Cottage Lane properties. The only alternative given to the Halwigs and Nollers in order to have the service, which DIUC also stated that it would continue to provide, was for the Halwigs and Nollers to incur the cost of installation of an alternative to the mains destroyed under a portion of Driftwood Cottage Lane. Without any alternative, and with the failure of DIUC to assist in any way, including any efforts to provide even temporary means by which DIUC could provide water or sewer service, the Halwigs and Nollers were forced into the Agreement created by DIUC to perform what has now been accomplished for the restoration of service. The cost of the new DIUC mains has been paid by the Halwigs and Nollers, and the DIUC mains have been installed in accordance with the DIUC approved plans. The installation is in compliance with all applicable laws, ordinances, rules, regulations and lawful orders and has been approved

Thomas P. Gressette, Jr., Esquire
October 31, 2018
Page 2

by DIUC. All written documentation concerning such approvals, easements and invoices has been provided. An as-built drawing has been provided to DIUC along with an acknowledged Bill of Sale transferring what has been installed to DIUC. Without any further requirements in the Agreement for the Halwigs and Nollers to perform, the Halwigs and Nollers must demand that service be restored immediately in order for them to finally, after more than two (2) years, achieve the ability to use their property.

"Upon execution of this agreement and compliance with its provisions, service will be connected to customers premises." This promise from the Agreement has now been breached by DIUC. Instead of restoring service, DIUC has proffered an Addendum to the Agreement that would add terms and conditions never mentioned much less agreed to when the Agreement was signed and complied with in good faith by the Halwigs and Nollers. The Halwigs and Nollers have lived up to their responsibilities under the Agreement, and it is time for DIUC to do the same and restore service immediately.

The Halwigs and Nollers specifically request that service be restored no later than this Friday November 2, 2018.

Very truly yours,



Newman Jackson Smith

NJS/mam

1401 Main Street, Suite 900



Phone: (803) 737-0800

abateman@regstaff.sc.gov

Andrew M. Bateman
Deputy Chief Counsel for ORS

December 21, 2018

VIA ELECTRONIC FILING

Jocelyn G. Boyd, Esquire
 Chief Clerk & Administrator
 Public Service Commission of South Carolina
 101 Executive Center Drive, Suite 100
 Columbia, South Carolina 29210

RE: Stephen and Beverly Noller and Michael and Nancy Halwig, Complainants/Petitioners
 v. Daufuskie Island Utility Company, Incorporated, Defendant/Respondent
Docket No. 2018-364-WS

Dear Ms. Boyd:

While the South Carolina Office of Regulatory Staff ("ORS") understands that there are complex issues that must be resolved in this case, it also believes that it is in the best interest of ratepayers for adequate utility service to be provided in a safe and reasonable manner. ORS has communicated extensively with counsel for both Daufuskie Island Utility Company ("DIUC") and the Complainants and believes that DIUC has the capability to safely restore service to the Complainants immediately. As a result, ORS would respectfully request, absent a showing from DIUC indicating why it cannot safely restore service, expedited review from the Public Service Commission of South Carolina and a requirement that DIUC immediately restore service to the Complainants with the understanding that restoration of service does not waive any position that any party may take in this matter.

Sincerely,

Andrew M. Bateman

cc: Joseph Melchers, Esquire (via E-mail)
 All Parties of Record (via E-mail)

Complainants 00185



G. Trenholm Walker
 Thomas P. Gressette, Jr.
 Ian W. Freeman
 John P. Linton, Jr.
 Charles P. Summerall, IV

THOMAS P. GRESSETTE, JR.
 Direct: 843.727.2249
 Email: Gressette@WGFLAW.com

December 26, 2018

Via Email Only

Newman Jackson Smith, Esquire
 Nelson Mullins

Andrew Bateman, Esquire
 Jeffrey M. Nelson, Esquire
 Office of Regulatory Staff

RE: Daufuskie Island Utility Company, Inc.
 Docket No. 2018-364-WS
 46 & 36 Driftwood Cottage Lane (Halwig and Noller Residences)

Dear Counselors:

In response to the correspondence from ORS dated December 21, 2018, and pursuant to requests by the Customers (Halwig and Noller), service has been activated at the 46 & 36 Driftwood Cottage Lane.

However, it is my understanding that certain equipment on one or both of the Customers' properties (customer side of the meters) has been damaged by tides and/or erosion and that repairs are necessary and/or underway. The damaged items were installed only a few months ago, which highlights the reasons providing service to these homes is ill advised and risky. DIUC will cooperate as it is able, but I would note that it is the Customers' responsibility to comply with all permitting and inspection requirements for repairs conducted on their properties.

I have not visited the sites this week, so I am not certain of the issues. I do hope for the Customers' that these matters can be easily remedied.

Sincerely yours,

/s/

Thomas P. Gressette, Jr.

**SOUTH CAROLINA DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL
OFFICE OF OCEAN AND COASTAL RESOURCE MANAGEMENT**

GENERAL PERMIT

Permittee: Dr. Michael Haiwig
Permit Number: OCRM00756
Date of Issuance: July 6, 2018
Expiration Date: July 6, 2019
Location: On and adjacent to the Atlantic Ocean at 36 Driftwood Lane, Daufuskie Island, Beaufort County, South Carolina.

**SEE SPECIAL
CONDITION(S)**

This permit is issued under the S.C. Coastal Zone Management Act of 1977 and the Final Rules and Regulations of SCDHEC OCRM. Please carefully read the project description and any special conditions that may appear on this permit/certification as they will affect the work that is allowed and may modify the work from that shown on the submitted plans. All special conditions attached to the permit will take precedent over submitted plans. If no special conditions have been placed on this permit, then the work is authorized as described in the project description and as modified by the general conditions. The general conditions are also a part of this permit and should be read in their entirety. **PLEASE CAREFULLY READ THE ENCLOSED "GUIDE TO BOARD REVIEW."**

DESCRIPTION OF PROJECT:

The plans submitted by you, attached hereto, show the authorized work consists of: The relocation and installation of water and sewer service lines and associated pumps. The lines will be approximately 620 LF of 1 1/2" force main and approximately 500 LF of 8" water main. This permit has been approved as stated, subject to the following conditions.

SPECIAL CONDITIONS:

1. Provided that the work is constructed in accordance with Attachment "A".
2. In the event that erosion results in the water lines, sewer lines, pump stations, or other associated infrastructure being located on the active beach as determined by Department staff, these materials must be removed immediately at the expense of the property owner.

PERMITTEE'S ATTENTION IS DIRECTED TO GENERAL CONDITIONS NUMBERS FOUR (4) AND FIVE (5). BY ACCEPTANCE OF THIS PERMIT, PERMITTEE IS PLACED ON NOTICE THAT THE STATE OF SOUTH CAROLINA, BY ISSUING THIS PERMIT, DOES NOT WAIVE ITS RIGHTS TO REQUIRE PAYMENT OF A REASONABLE FEE FOR USE OF STATE LANDS AT A FUTURE DATE IF SO DIRECTED BY STATUTE.

THE PERMITTEE, BY ACCEPTANCE OF THIS PERMIT AGREES TO ABIDE BY THE TERMS AND CONDITIONS CONTAINED HEREIN AND TO PERFORM THE WORK IN STRICT ACCORDANCE WITH THE PLANS AND SPECIFICATIONS ATTACHED HERETO AND MADE A PART HEREOF. ANY DEVIATION FROM THESE CONDITIONS, TERMS, PLANS, AND SPECIFICATIONS SHALL BE GROUNDS FOR REVOCATION, SUSPENSION OR MODIFICATION OF THIS PERMIT AND THE INSTITUTION OF SUCH LEGAL PROCEEDINGS AS SCDHEC OCRM MAY CONSIDER APPROPRIATE.

1 of 12

SEE SPECIAL
CONDITION(S)

OCRM00756

July 6, 2018

Your signature below, as permittee, indicates that you accept and agree to comply with the terms and conditions of this permit.

(PERMITTEE)

(DATE)

Dr. Michael Halwig
c/o Mr. Fred Sororian, Thomas and Hutton

This permit becomes effective when the State official, designated to act for the Office of Ocean and Coastal Resource Management, has signed below.

(CRITICAL AREA PROJECT MANAGER)

(DATE)

Trent D. Shaw
Other Authorized State Official

2 of 12

Complainants 00120

SEE SPECIAL
CONDITION(S)

GENERAL CONDITIONS:

This construction and use permit is expressly contingent upon the following conditions which are binding on the permittee:

1. The permittee, in accepting this permit, covenants and agrees to comply with and abide by the provisions and conditions herein and assumes all responsibility and liability and agrees to save OCRM and the State of South Carolina, its employees or representatives, harmless from all claims of damage arising out of operations conducted pursuant to this permit.
2. If the activity authorized herein is not constructed or completed within one year of the date of issuance, this permit shall automatically expire. A request, in writing, for an extension of time shall be made not less than thirty days prior to the expiration date.
3. All authorized work shall be conducted in a manner that minimizes any adverse impact on fish, wildlife and water quality.
4. This permit does not relieve the permittee from the requirements of obtaining a permit from the U. S. Army Corps of Engineers or any other applicable federal agency, nor from the necessity of complying with all applicable local laws, ordinances, and zoning regulations. This permit is granted subject to the rights of the State of South Carolina in the navigable waters and shall be subject, further, to all rights held by the State of South Carolina under the public trust doctrine as well as any other right the State may have in the waters and submerged lands of the coast.
5. This permit does not convey, expressly or impliedly, any property rights in real estate or material nor any exclusive privileges; nor does it authorize the permittee to alienate, diminish, infringe upon or otherwise restrict the property rights of any other person or the public; nor shall this permit be interpreted as appropriating public properties for private use.
6. The permittee shall permit OCRM or its authorized agents or representatives to make periodic inspections at any time deemed necessary in order to ensure that the activity being performed is in accordance with the terms and conditions of this permit.
7. Any abandonment of the permitted activity will require restoration of the area to a satisfactory condition as determined by OCRM.
8. This permit may not be transferred to a third party without prior written notice to OCRM, either by the transferee's written agreement to comply with all terms and conditions of this permit or by the transferee subscribing to this permit and thereby agreeing to comply.
9. If the display of lights and signals on any structure or work authorized herein is not otherwise provided for by law, such lights and special signals as may be prescribed by the United States Coast Guard shall be installed and maintained by and at the expense of the permittee.
10. The permit construction placard or a copy of the placard shall be posted in a conspicuous place at the project site during the entire period of work.
11. The structure or work authorized herein shall be in accordance with the permit, as issued, and shall be maintained in good condition. Failure to build in accordance with the permit, as issued, or failure to maintain the structure in good condition, shall result in the revocation of this permit.
12. The authorization for activities or structures herein constitutes a revocable license. OCRM may require the permittee to modify activities or remove structures authorized herein if it is determined by OCRM that such activity or structures violates the public's health, safety, or welfare, or if any activity is inconsistent with the public trust doctrine. Modification or removal under this condition shall be ordered only after reasonable notice stating the reasons therefore and provision to the permittee of the opportunity to respond in writing. When the Permittee is notified that OCRM intends to revoke the permit, Permittee agrees to immediately stop work pending resolution of the revocation.
13. OCRM shall have the right to revoke, suspend, or modify this permit in the event it is determined the permitted structure (1) significantly impacts the public health, safety and welfare, and/or is violation of Section 48-39-150, (2) adversely impacts public rights, (3) that the information and data which the permittee or any other agencies have provided in connection with the permit application is either false, incomplete or inaccurate, or (4) that the activity is in violation of the terms and/or conditions, including any special conditions of the permit. That the permittee, upon receipt of OCRM's written intent to revoke, suspend, or modify the permit has the right to a hearing. Prior to

3 of 12

**SEE SPECIAL
CONDITION(S)**

revocation, suspension, or modification of this permit, OCRM shall provide written notification of intent to revoke to the permittee, and permittee can respond with a written explanation to OCRM. (South Carolina Code Section 1-23-370 shall govern the procedure for revocation, suspension or modification herein described).

14. Any modification, suspension or revocation of this permit shall not be the basis of any claim for damages against OCRM or the State of South Carolina or any employee, agent, or representative of OCRM or the State of South Carolina.
15. All activities authorized herein shall, if they involve a discharge or deposit into navigable waters or ocean waters, be at all times consistent with all applicable water quality standards, effluent limitations and standards of performance, prohibitions, and pretreatment standards established pursuant to applicable federal, state and local laws.
16. Extreme care shall be exercised to prevent any adverse or undesirable effects from this work on the property of others. This permit authorizes no invasion of adjacent private property, and OCRM assumes no responsibility or liability from any claims of damage arising out of any operations conducted by the permittee pursuant to this permit.

4 of 12

ATTACHMENT A

SCDHEC-OCRM GENERAL PERMIT
GP-90-A

SEE SPECIAL
CONDITION(S)

WORK: Installation or Repair of Underground and Overhead Water, Sewer, Gas, Electrical, Telephone, and Cable Service Lines.

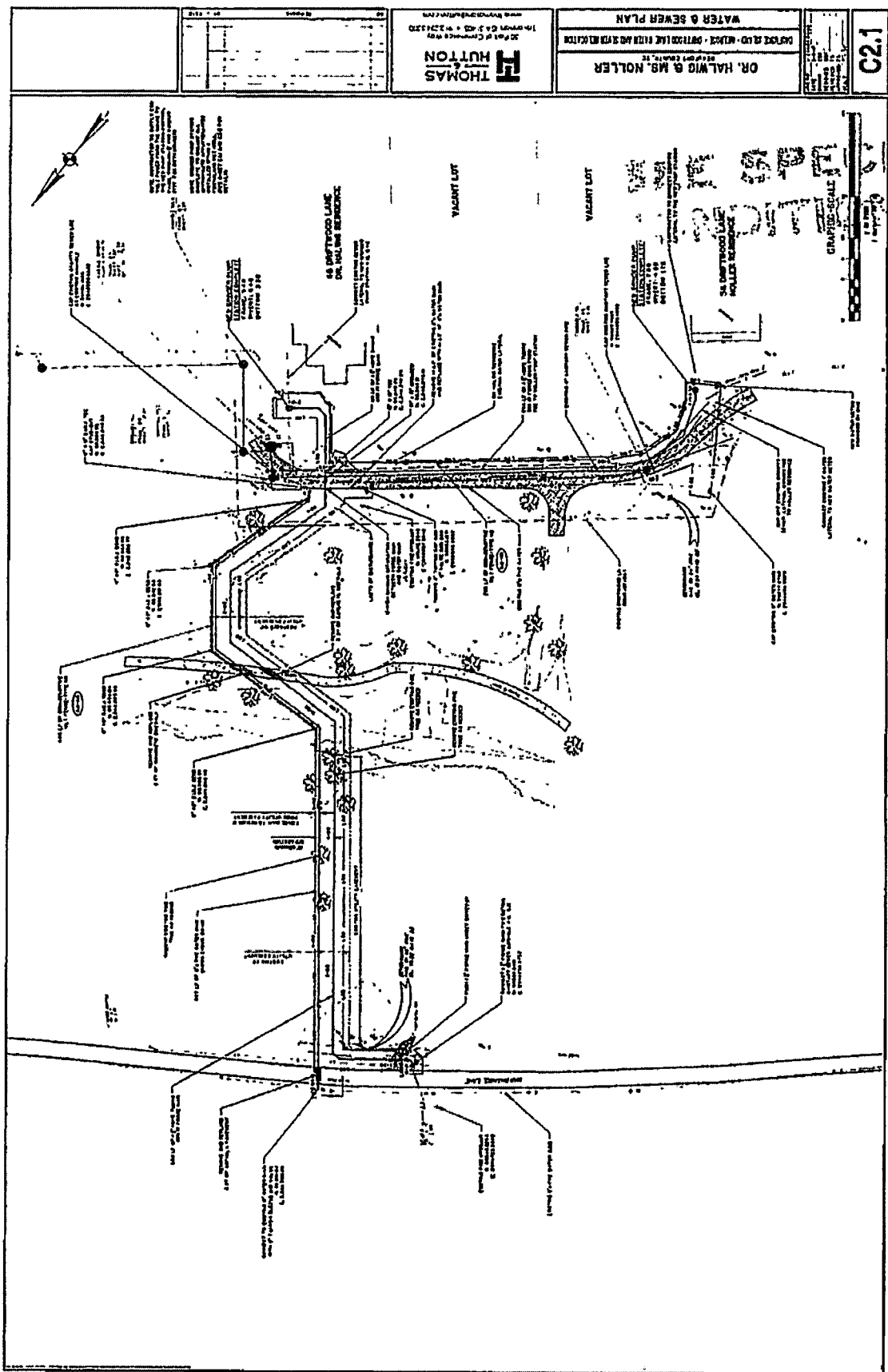
LOCATION: Within the area between the setback line and the baseline in the counties of Horry, Georgetown, Charleston, Colleton, Beaufort, and Jasper.

DESCRIPTION: The placement, maintenance, repair, and replacement of service lines are allowed under this general permit provided that the following conditions are met:

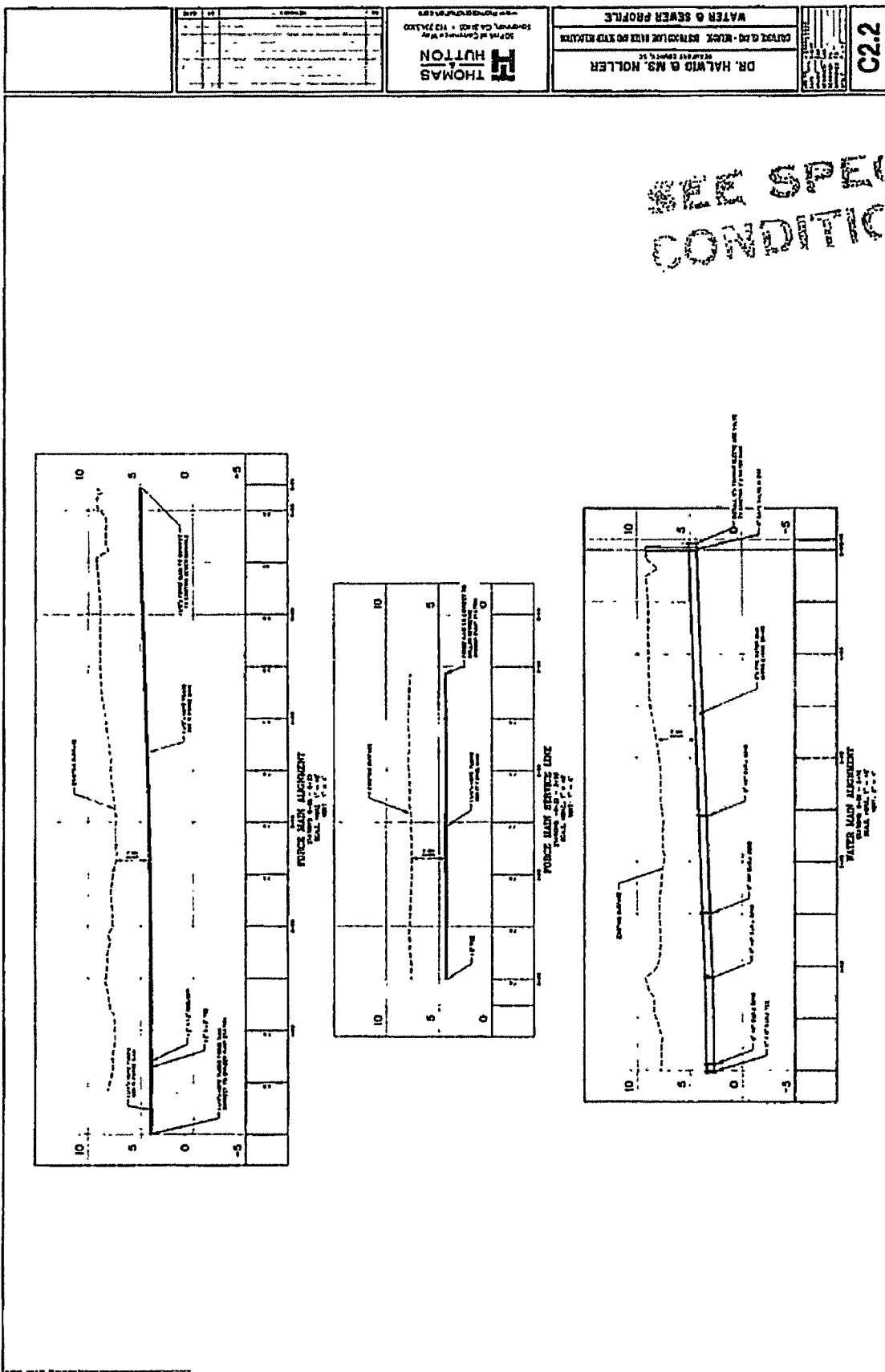
1. All service lines shall be located as far landward as possible on each individual lot.
2. Lines, junction boxes, poles, and accessory features will be relocated landward as far as possible in the event there is a need for replacement.
3. Dunes allowed to be altered during construction shall be reconfigured and revegetated to preconstruction conditions.
4. All work shall be in compliance with applicable local ordinances.
5. A comprehensive plan for new or replacement utilities shall be approved in writing by OCRM.

ATTACHMENT A

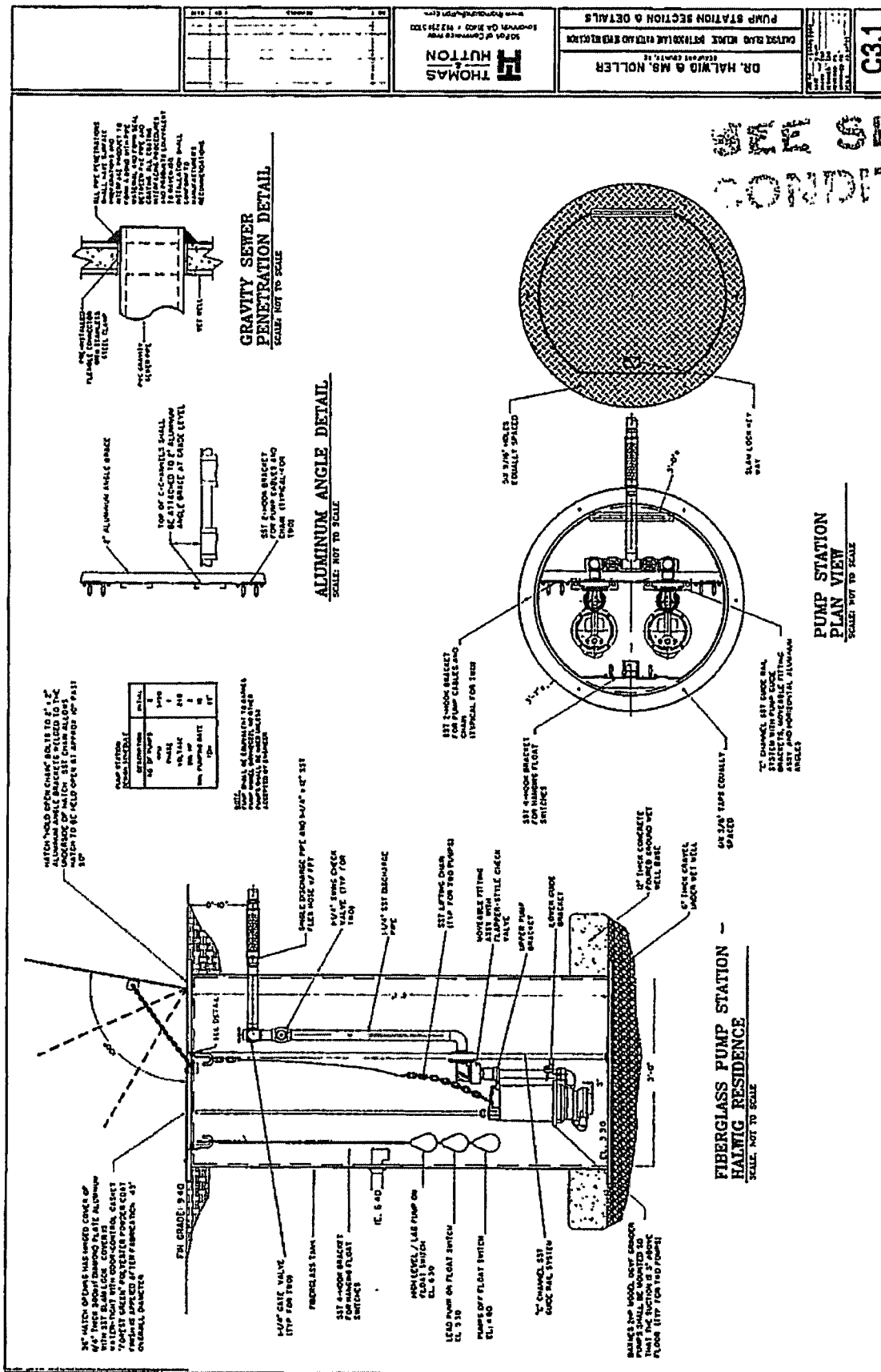
ATTACHMENT A



6 of 12



7 of 12



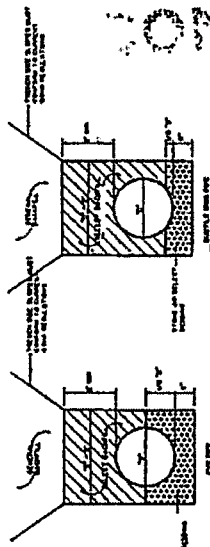
DR. HALWIG & MS. NOLLER
REAR END COLLISION, LC
PUMP STATION SECTION & DETAILS



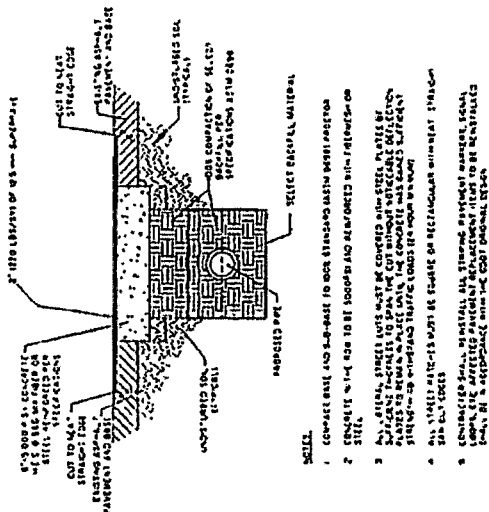
THOMAS & HUTTON
30 Paces of Commercial Way
Livermore, CA 94550 • 415.234.1200

SEE SPECIAL
CONDITION(S)

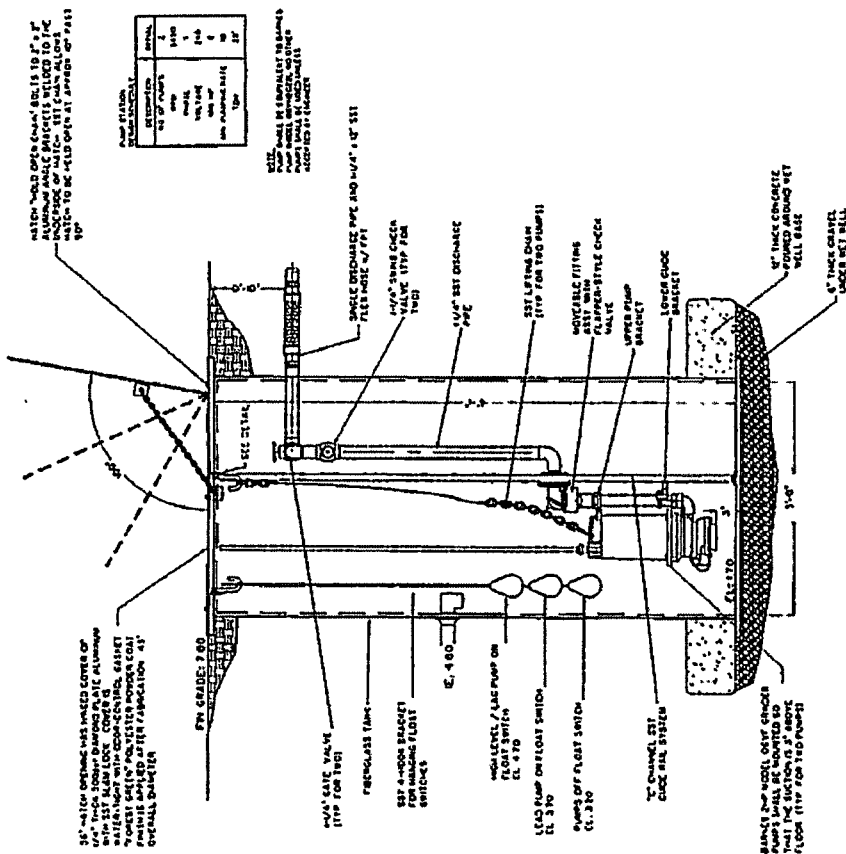
PIPE BEDDING DETAILS



**WATER MAIN
ASPHALT PAVEMENT REPLACEMENT**
SCALE: 1"=10'-0"



FIBERGLASS PUMP STATION -
NOLLER RESIDENCE
SCALE: NOT TO SCALE



9 of 12

C3.3

DR. HALWIG & MS. NOLLER

WATER & SEWER DETAILS

STANDARD SPECIFICATIONS FOR SEWER RECEPTORS

THOMAS HUTTON

10000 10th Ave S, Suite 100, Minneapolis, MN 55426

Phone: 612.437.1234 Fax: 612.437.1235

www.thomashutton.com

DATE: 10/1/2018

BY: [Signature]

SEE SPECIAL CONDITION(S)

RESTRAINED JOINTS DETAILS

SCALE: 1/8" = 1'-0"

CONCRETE PAVEMENT/DRIVEWAY REPLACEMENT

P95

OCT 2018

ASPHALT DRIVEWAY REPLACEMENT

P97

12" x 12" MIN.

GRAVEL DRIVEWAY REPLACEMENT

P98

12" x 12" MIN.

TEE RESTRAINT (PVC LINE)

MANHOLE RESTRAINT (PVC LINE)

MANHOLE RESTRAINT (CONCRETE)

MANHOLE RESTRAINT (DUCTILE IRON LINE)

DEAD END RESTRAINT

10 of 12

Complainants 00128

South Carolina Board of Health and Environmental Control

Guide to Board Review

Pursuant to S.C. Code Ann. § 44-1-60

The decision of the South Carolina Department of Health and Environmental Control (Department) becomes the final agency decision fifteen (15) calendar days after notice of the decision has been mailed to the applicant, permittee, licensee and affected persons who have requested in writing to be notified, unless a written request for final review accompanied by a filing fee in the amount of \$100 is filed with Department by the applicant, permittee, licensee or affected person.

Applicants, permittees, licensees, and affected parties are encouraged to engage in mediation or settlement discussions during the final review process.

If the Board declines in writing to schedule a final review conference, the Department's decision becomes the final agency decision and an applicant, permittee, licensee, or affected person may request a contested case hearing before the Administrative Law Court within thirty (30) calendar days after notice is mailed that the Board declined to hold a final review conference. In matters pertaining to decisions under the South Carolina Mining Act, appeals should be made to the South Carolina Mining Council.

1. Filing of Request for Final Review

1. A written Request for Final Review (RFR) and the required filing fee of one hundred dollars (\$100) must be received by Clerk of the Board within fifteen (15) calendar days after notice of the staff decision has been mailed to the applicant, permittee, licensee, or affected persons. If the 15th day occurs on a weekend or State holiday, the RFR must be received by the Clerk on the next working day. RFRs will not be accepted after 5:00 p.m.
2. RFRs shall be in writing and should include, at a minimum, the following information:
 - The grounds for amending, modifying, or rescinding the staff decision;
 - a statement of any significant issues or factors the Board should consider in deciding how to handle the matter;
 - the relief requested;
 - a copy of the decision for which review is requested; and
 - mailing address, email address, if applicable, and phone number(s) at which the requestor can be contacted.
3. RFRs should be filed in person or by mail at the following address:
 South Carolina Board of Health and Environmental Control
 Attention: Clerk of the Board
 2600 Bull Street
 Columbia, South Carolina 29201
 Alternatively, RFR's may be filed with the Clerk by facsimile (803-898-3393) or by electronic mail (boardclerk@dhec.sc.gov).
4. The filing fee may be paid by cash, check or credit card and must be received by the 15th day.
5. If there is any perceived discrepancy in compliance with this RFR filing procedure, the Clerk should consult with the Chairman or, if the Chairman is unavailable, the Vice-Chairman. The Chairman or the Vice-Chairman will determine whether the RFR is timely and properly filed and direct the Clerk to (1) process the RFR for consideration by the Board or (2) return the RFR and filing fee to the requestor with a cover letter explaining why the RFR was not timely or properly filed. Processing an RFR for consideration by the Board shall not be interpreted as a waiver of any claim or defense by the agency in subsequent proceedings concerning the RFR.
6. If the RFR will be processed for Board consideration, the Clerk will send an Acknowledgement of RFR to the Requestor and the applicant, permittee, or licensee, if other than the Requestor. All personal and financial identifying information will be redacted from the RFR and accompanying documentation before the RFR is released to the Board, Department staff or the public.
7. If an RFR pertains to an emergency order, the Clerk will, upon receipt, immediately provide a copy of the RFR to all Board members. The Chairman, or in his or her absence, the Vice-Chairman shall based on the circumstances, decide whether to refer the RFR to the RFR Committee for expedited review or to decline in writing to schedule a Final Review Conference. If the Chairman or Vice-Chairman determines review by the RFR Committee is appropriate, the Clerk will forward a copy of the RFR to Department staff and Office of General Counsel. A Department response and RFR Committee review will be provided on an expedited schedule defined by the Chairman or Vice-Chairman.
8. The Clerk will email the RFR to staff and Office of General Counsel and request a Department Response within eight (8) working days. Upon receipt of the Department Response, the Clerk will forward the RFR and Department Response to all Board members for review, and all Board members will confirm receipt of the RFR to the Clerk by email. If a Board member does not confirm receipt of the RFR within a twenty-four (24) hour period, the Clerk will contact the Board member and confirm receipt. If a Board member believes the RFR should be considered by the RFR Committee, he or she will

Rev 2, 05/08/2014

respond to the Clerk's email within forty-eight (48) hours and will request further review. If no Board member requests further review of the RFR within the forty-eight (48) hour period, the Clerk will send a letter by certified mail to the Requestor, with copy by regular mail to the applicant, permittee, or licensee, if not the Requestor, stating the Board will not hold a Final Review Conference. Contested case guidance will be included within the letter.

NOTE: If the time periods described above end on a weekend or State holiday, the time is automatically extended to 5.00 p.m. on the next business day

9. If the RFR is to be considered by the RFR Committee, the Clerk will notify the Presiding Member of the RFR Committee and the Chairman that further review is requested by the Board. RFR Committee meetings are open to the public and will be public noticed at least 24 hours in advance.
10. Following RFR Committee or Board consideration of the RFR, if it is determined no Conference will be held, the Clerk will send a letter by certified mail to the Requestor, with copy by regular mail to the applicant, permittee, or licensee, if not the Requestor, stating the Board will not hold a Conference. Contested case guidance will be included within the letter.

II. Final Review Conference Scheduling

1. If a Conference will be held, the Clerk will send a letter by certified mail to the Requestor, with copy by regular mail to the applicant, permittee, or licensee, if not the Requestor, informing the Requestor of the determination.
2. The Clerk will request Department staff provide the Administrative Record.
3. The Clerk will send Notice of Final Review Conference to the parties at least ten (10) days before the Conference. The Conference will be publically noticed and should:
 - include the place, date and time of the Conference;
 - state the presentation times allowed in the Conference;
 - state evidence may be presented at the Conference;
 - if the conference will be held by committee, include a copy of the Chairman's order appointing the committee; and
 - inform the Requestor of his or her right to request a transcript of the proceedings of the Conference prepared at Requestor's expense.
4. If a party requests a transcript of the proceedings of the Conference and agrees to pay all related costs in writing, including costs for the transcript, the Clerk will schedule a court reporter for the Conference.

III. Final Review Conference and Decision

1. The order of presentation in the Conference will, subject to the presiding officer's discretion, be as follows:
 - Department staff will provide an overview of the staff decision and the applicable law to include [10 minutes]:
 - Type of decision (permit, enforcement, etc.) and description of the program.
 - Parties
 - Description of facility/site
 - Applicable statutes and regulations
 - Decision and materials relied upon in the administrative record to support the staff decision.
 - Requestor(s) will state the reasons for protesting the staff decision and may provide evidence to support amending, modifying, or rescinding the staff decision. [15 minutes] *NOTE: The burden of proof is on the Requestor(s)*
 - Rebuttal by Department staff [15 minutes]
 - Rebuttal by Requestor(s) [10 minutes]

Note: Times noted in brackets are for information only and are superseded by times stated in the Notice of Final Review Conference or by the presiding officer.
2. Parties may present evidence during the conference; however, the rules of evidence do not apply.
3. At any time during the conference, the officers conducting the Conference may request additional information and may question the Requestor, the staff, and anyone else providing information at the Conference.
4. The presiding officer, in his or her sole discretion, may allow additional time for presentations and may impose time limits on the Conference.
5. All Conferences are open to the public.
6. The officers may deliberate in closed session.
7. The officers may announce the decision at the conclusion of the Conference or it may be reserved for consideration
8. The Clerk will mail the written final agency decision (FAD) to parties within 30 days after the Conference. The written decision must explain the basis for the decision and inform the parties of their right to request a contested case hearing before the Administrative Law Court or in matters pertaining to decisions under the South Carolina Mining Act, to request a hearing before the South Carolina Mining Council. The FAD will be sent by certified mail, return receipt requested.
9. Communications may also be sent by electronic mail, in addition to the forms stated herein, when electronic mail addresses are provided to the Clerk.

The above information is provided as a courtesy; parties are responsible for complying with all applicable legal requirements.

Rev 2, 05/08/2014

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Daufuskie Island Utility Company, Inc.

725 N. Hwy A1A, Suite B103, Jupiter, FL 33477
888-635-7878

BY EMAIL

August 22, 2018

Mr. Fred Sororian
Thomas & Hutton
50 Park of Commerce Way
Savannah, GA 31405

Re: "Operations and Maintenance" Letter
36 & 46 Driftwood Cottage Ln

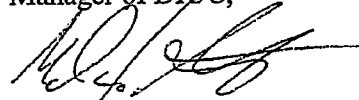
Mr. Sororian,

In Response to your request, DIUC is providing this letter in regards to the plans for construction of new water and sewer facilities, to serve 36 & 46 Driftwood Cottage Ln.

DIUC has reviewed the previously submitted plans. If the facilities are constructed as designed, DIUC will operate and maintain the facilities according to current operating requirements. According to the plans, the new facilities will be within the Utilities service area and its capacity to serve. Upon completion DIUC will inspect the new facilities.

This letter is not an approval of any completed construction and cannot supersede any previously signed agreements or state regulatory requirements. All construction must adhere to permitted requirements, which must be disclosed to DIUC.

GUASTELLA ASSOCIATES, LLC
Manager of DIUC,



Mike J. Guastella
Vice President- Operations

Daufuskie Island Utility Company, Inc.

725 N. Hwy A1A, Suite B103, Jupiter, FL 33477
888-635-7878

BY EMAIL

August 22, 2018

Mr. Fred Sororian
Thomas & Hutton
50 Park of Commerce Way
Savannah, GA 31405

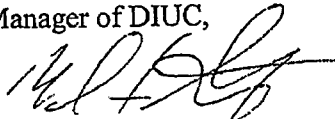
Re: "Willingness and Ability" to Serve Letter
36 & 46 Driftwood Cottage Ln

Mr. Sororian,

In Response to your request, DIUC has reviewed previously submitted plans for new water and sewer facilities, to serve the customers at 36 & 46 Driftwood Cottage Ln. According to the plans provided, the new facilities will be within DIUC's current service area and capacity.

DIUC is willing and able to provide services according to the proposed plans. If the project design changes, this letter is void and a new "Willingness and Ability" to serve letter must be issued. This letter does not qualify as an approval of newly constructed facilities and can not supersede any state regulatory requirements and/or previously signed agreements.

GUASTELLA ASSOCIATES, LLC
Manager of DIUC,



Mike J. Guastella
Vice President- Operations

Request for Periodic Payment

3-Final

PINCO

OWNER: Halwig & Noller
 PROJECT: Melrose - Driftwood Cottage Lane Water
 and Sewer Relocation

DATE: 09/28/18
 Period Thru: August 28, 2018

ANALYSIS OF PAYMENT ESTIMATE

SCHEDULE OF PREVIOUS PAY REQUESTs		
NO.	DATE	AMOUNT
01	12/22/2017	42,532.20
02	8/10/2018	29,111.98
TOTAL		71,644.18

ITEM

AMOUNT

A. ORIGINAL CONTRACT SUM \$ 65,349.00
 B. Net Change by Change Orders \$ 11,138.72
 C. CONTRACT SUM TO DATE \$ 76,487.72

(1) Original Contract Work Completed	65,350.00
(2) Change Order Work (included in this Pay Request)	10,655.00
(3) Total Work Completed to Date (less Summary CO)	99.4% 76,005.00
(4) Materials Stored	0.00
(5) Total Work Completed and Materials Stored	76,005.00
(6) Less Retainage	0.00
(7) Cumulative Payment Due	76,005.00
(8) Less Previous Pay Requests	71,644.18
(9) Balance Due This FINAL Pay Request	<u>4,360.82</u>

I certify that to the best of my knowledge and belief all items and amounts herein are correct; that all work has been performed and/or material supplied in conformance with the contract, and that the balance due is appropriate for payment.

CONTRACTOR: PINCO

BY:

DATE: 10/4/2018

APPROVED BY:

BY:

B. SCHEDULE OF CONTRACT CHANGE ORDERS

CHANGE ORDER		DESCRIPTION	MODIFICATIONS TO ORIGINAL CONTRACT PRICE TOTAL CHANGE COST OF WORK		FROM ORIGINAL CONTRACT
NO.	DATE		COST	COMPLETED	PRICE
1		ReMobilze and	10,655		\$10,655.00
2		Summary CO Paid directly to PINCO not paid thru the trust account nor included in these apy requests	483.72		\$483.72
TOTALS					\$11,138.72

Supplemental Schedule

PINCO

Period Thru: August 28, 2018

Meirose, 36 & 46 Driftwood Cottage Lane

Pay Request No. 03-F

Line Item	DESCRIPTION	Contract Quantity	Unit Price	Total Price	This Month Quantity	This Month \$ Amount	Previous Quantity	Previous \$ Amount	To Date Quantity	To Date \$ Amount	Percent Complete
1	Mobilization / DeMobilization	Lump Sum	\$ 11,700.00	\$ 11,700.00	0	\$ -	1	\$ 11,700.00	1	\$ 11,700.00	100.00%
2	Erosion Control	Lump Sum	\$ 1,200.00	\$ 1,200.00	0	\$ -	1	\$ 1,200.00	1	\$ 1,200.00	100.00%
3	8" PVC water Main	507	\$ 29.58	\$ 14,997.06	0	\$ -	533	\$ 15,766.14	507	\$ 14,997.06	100.00%
4	1.5" HDPE Force Main	550	\$ 12.55	\$ 6,902.50	0	\$ -	542	\$ 6,802.10	550	\$ 6,902.50	100.00%
5	1.25" HDPE Force Main	360	\$ 15.14	\$ 5,450.40	0	\$ -	346	\$ 5,238.44	360	\$ 5,450.40	100.00%
6	2 Grinder Stations Installation	Lump Sum	\$ 4,600.00	\$ 4,600.00	0	\$ -	1	\$ 4,600.00	1	\$ 4,600.00	100.00%
7	Connect 2 grinder station to lateral	Lump Sum	\$ 2,550.00	\$ 2,550.00	0	\$ -	1	\$ 2,550.00	1	\$ 2,550.00	100.00%
8	Cap Existing Sewers	1	\$ 900.00	\$ 900.00	0	\$ -	1	\$ 900.00	1	\$ 900.00	100.00%
9	Cap Existing 8" Water-Main	1	\$ 1,150.00	\$ 1,150.00	0	\$ -	1	\$ 1,150.00	1	\$ 1,150.00	100.00%
10	Connect 1.5" FM to Ext. MH	1	\$ 2,300.00	\$ 2,300.00	0	\$ -	1	\$ 2,300.00	1	\$ 2,300.00	100.00%
11	Connect new 8" to existing WtrMain	1	\$ 6,600.00	\$ 6,600.00	0	\$ -	1	\$ 6,600.00	1	\$ 6,600.00	100.00%
12	Electrical Connection	1	\$ 7,000.00	\$ 7,000.00	0	\$ -	1	\$ 7,000.00	1	\$ 7,000.00	100.00%
	Sub Total	-	\$ -	\$ 65,349.00		\$ -		\$ 65,349.00	0	\$ 65,350.00	
	Change Order 01	-	\$ -	\$ -		\$ -		\$ -	0	\$ -	
1	Re_connect sewer line	LS	\$ 875.00	\$ 875.00	0	\$ -	1	\$ 875.00	1	\$ 875.00	100.00%
2	Connect waterline	LS	\$ 1,275.00	\$ 1,275.00	0	\$ -	1	\$ 1,275.00	1	\$ 1,275.00	100.00%
3	Re-mobilize and De-Mobilize	LS	\$ 4,310.00	\$ 4,310.00	0.25	\$ 1,077.50	0.75	\$ 3,232.50	1	\$ 4,310.00	100.00%
4	Added Legal Fees	3	\$ 300.00	\$ 900.00	0	\$ -	3.2	\$ 960.00	3	\$ 900.00	100.00%
5	Re-Excavate pipe ends	LS	\$ 1,670.00	\$ 1,670.00	0	\$ -	1	\$ 1,670.00	1	\$ 1,670.00	100.00%
6	Continue Search & Full Flush	LS	\$ 1,625.00	\$ 1,625.00	0	\$ -	1	\$ 1,625.00	1	\$ 1,625.00	100.00%
	Sub-Total			\$ 10,655.00		\$ 1,077.50		\$ 9,637.50	0	\$ 10,655.00	100.00%
	Summary Change Order 02	LS	\$ 483.72	\$ 483.72		\$ 483.72		\$ -	0	\$ 483.72	100%
	TOTAL			\$ 76,487.72		\$ 1,077.50		\$ 75,444.18	0	\$ 76,488.72	

Complainants 00134

THOMAS & HUTTON

50 PARK OF COMMERCE WAY | SAVANNAH, GA 31405
912.234.5300 | WWW.THOMASANDHUTTON.COM

August 30, 2018

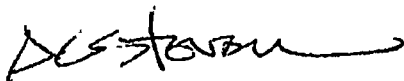
Stephanie White
DHEC, Bureau of Water
2600 Bull Street
Columbia, SC 29201

Re: Daufuskie Island – Melrose – Driftwood Lane
Water and Sewer Relocations
Permit Number:
Wastewater System: 41282-WW
Water System: 32996-WS

To Whom It May Concern:

We have reviewed the Daufuskie Island – Melrose – Driftwood Lane Water and Sewer Relocations construction. It is complete and in general accordance with the approved plans and specifications based upon periodic site visits and final review to the best of my knowledge, information, and belief.

Sincerely,



Allen Christopher Stovall, PE

NOTICE OF FINAL ACCEPTANCE

CONTRACTOR Pinholster Construction, LLC dba PINCO

PROJECT: Daufuskie Island - Melrose - Dirftwood Lane Water and Sewer Relocation

OWNER: Stephen A. Noller and Beverly P. Noller, and Dr. John M. Halwig and Nancy D. Halwig

PROJECT NO.:

ENGINEER: Thomas and Hutton

DATE: September 28, 2018

Gentlemen:

Based upon our final inspection of the work, we have found the work performed to be complete and in conformance with the contract documents. Therefore, the OWNER and END USER hereby accepts the work performed and responsibility for regular maintenance of same. This acceptance does not in any way relieve you, as the contractor, of any special maintenance requirements or guarantees as stipulated in the contract documents. You are also hereby informed that the 12-month warranty period as stipulated in the contract shall expire at 11:59 p.m., 08/23/19 except for those items previously completed and accepted as enumerated any earlier dated substantial completion notices.



Project Engineer

STATE OF SOUTH CAROLINA)
)
 COUNTY OF BEAUFORT) UTILITY LINE EASEMENT

THIS UTILITY LINE EASEMENT (this "Agreement"), made this 26th day of October, 2018 by and between **REDFISH HOLDINGS, LLC** of the County of Beaufort and State of South Carolina, hereinafter called "Grantor" (whether singular or plural), and **DAUFUSKIE ISLAND UTILITY COMPANY, INC.**, having its principal office at 725 North Highway A1A, Suite B, Jupiter, FL 33477, its successors and assigns, hereinafter called "Grantee", for the benefit of Michael Halwig, Nancy Halwig, Beverly Noller and Stephen Noller (together the "Owners") .

ARTICLE 1 CREATION AND GRANT OF EASEMENTS

1.01 In consideration of the monetary sum of One Dollar (\$1.00) and certain other non-monetary consideration received from Grantee and Owner, Grantor hereby establishes, grants and conveys to Grantee, its successors and assigns, a non-exclusive perpetual commercial easement in gross, subject to the terms set forth herein, with the right, privilege and authority, from time to time, to enter upon, inspect, operate, replace, repair and perpetually maintain, subject to the terms set forth herein, through the portion of real property owned by Grantor as specifically and particularly described in **EXHIBIT A** attached hereto and made a part hereof (the "**Burdened Property**"), in the area described in **EXHIBIT B** (the "**Utility Easement Area**") and shown on **ATTACHMENT 1** ("Record Drawing C2.1") attached hereto and made a part hereof, underground conduit(s) or line(s) consisting of the piping for the purpose of providing essentially necessary water and sewer service to the real property (the "**Utility Lines**") and improvements now or hereafter located on the real property described in **EXHIBIT C** attached hereto and made a part hereof (the "**Benefitted Property**") which Benefitted Property is owned by the Owners, together with the reasonable right of ingress, egress and access to and from such Utility Easement Area over that portion of the Burdened Property as reasonably designated by Grantor, as may be reasonably necessary for the purposes connected therewith but consistent with the terms hereof.

TOGETHER WITH all and singular the rights, members, hereditaments and appurtenances to the Easements belonging or in anywise incident or appertaining.

TO HAVE AND TO HOLD, subject to the terms and conditions set forth herein all and singular the easements unto Grantee and its successors and assigns, subject to the terms hereof.

ARTICLE 2 MISCELLANEOUS PROVISIONS

2.01 Access to the Utility Easement Area pursuant to this Agreement shall be coordinated with and subject to the advance written approval the Grantor or its designee, which approval shall not be unreasonably withheld, and shall not interrupt golfers or golf course maintenance and grounds activities without the prior express written authorization and upon timely pre-notification for emergency repairs as provided herein. Scheduled maintenance shall be timed to prevent disruption of use of the golf course, and shall begin only after the last golfers have

played past the Utility Easement Area and shall be completed prior to the start of play the following day. Normal routine maintenance shall be scheduled to occur during non-peak golf season, which is June 1 through September 1. Normal routine maintenance shall be initiated only after written notification to the Grantor or its designee five (5) business days prior to the proposed repair, shall occur only during week days, beginning after the last golfers have played past the Utility Easement Area and shall be completed prior to the start of play the following day. Emergency repair service activities may be initiated immediately upon written notice to the Grantor or its designee.

Written notice to the Grantor shall be provided via overnight delivery and email to:

Address for Overnight Delivery: REDFISH HOLDINGS, LLC
c/o LVH Partners, LLC
1535 Elston Avenue, Chicago IL 60642-2421,
ATTN: Arie Zoller
Email: zoller@lvhpartners.com

In the event the Grantor wishes Grantee to provide written notice to a designee of Grantor or to Grantor and one additional party, grantor may so designate by providing written notice of the same via overnight delivery and email to:

Address for Overnight Delivery: DAUFUSKIE ISLAND UTILITY CO., INC.
725 North Highway A1A
Suite B103
Jupiter, FL 33477
Email: admin@dlutility.com

Any excavation activities necessary for maintenance of the utility lines must be pre-approved in writing by Grantor, include a drawing showing the area to be excavated and the irrigation lines or other golf course improvements in the vicinity of such excavations, and scheduled consistent with the guidelines above to the maximum extent practicable to prevent disruption of golfers using the golf course. Grantee may not trim, cut or remove trees, underbrush and other obstructions that are within, over, under or through the Utility Easement Area without express written authorization, from Grantor. Any damage to the property of Grantor caused by Grantee in maintaining or repairing said utility lines shall be immediately repaired by Grantee at its sole cost and expense; provided further, however, that except as may specifically be agreed to between Grantor and Grantee from time to time by separate written instrument, Grantor agrees for itself, its successors and assigns, not to build or allow any building or road to be placed within the Utility Easement Area.

2.02 All maintenance and repair of the Utility Lines shall be at the sole cost and expense of Grantee and Owners. All such work shall be conducted in a good and workmanlike manner and the Burdened Property shall be returned to the same condition it was prior to access by Grantee. Grantor shall reasonably designate and Grantee shall comply with the designation of an ingress/egress path for access to the Utility Easement Area.

2.03 Grantee and Owners, and their respective successors and assigns, shall indemnify, defend, and hold Grantor, its successors and assigns, harmless from and against all claims, costs, expenses, judgments or actions (including reasonable attorney's fees) arising from or related to the

easements granted herein, the Utility Easement Area, or the Utility Lines, by Grantee and/or Owners, their respective agents, contractors, tenants, employees, licensees and/or invitees, except to the extent caused by the gross negligence or intentional misconduct of Grantor.

2.04 Nothing herein shall be construed as a grant to the general public. The easements granted herein are not intended to benefit parcels of land other than the Benefitted Property without the consent in writing, in recordable form, of Grantor, Grantee, and Owners or their successors and assigns.

2.05 The easements and other rights and benefits granted in this Agreement are non-exclusive, and Grantor reserves and retains the right to use the Utility Easement Area and to convey similar rights and easements to such other persons or entities as it may deem proper provided such subsequent conveyances do not interfere with the easements and other rights and benefits granted in this Agreement.

2.06 If any provision of this Agreement is determined to be invalid, such determination shall not affect the validity or effect of the remaining provisions of this Agreement, all of which shall continue in effect as if such invalid provision had not been included in this Agreement.

2.07 This Agreement shall bind and inure to the benefit of Grantor, Grantee, and Owners and their respective successors and assigns.

2.08 It is intended that the benefits and burdens of the easements granted herein shall run with title to the Benefitted Property and the Burdened Property. This Agreement may be amended, modified or terminated only by recorded written instrument duly executed and acknowledged by Grantor, Grantee, and Owner, or their respective successors and/or assigns as owners of the subject parcels. No waiver of any of the terms or conditions of this instrument shall be binding or effective unless expressed in writing and signed by the party giving such waiver. Time is of the essence in this Agreement.

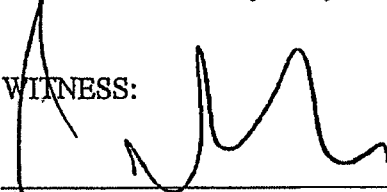
2.09 This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument.

2.10 This Agreement shall be recorded in the land records of the county in which the Benefitted Property and the Burdened Property are located.

2.11 In the event of litigation relating to the enforcement of rights under this Agreement, the prevailing party shall be entitled to recover from the non-prevailing party all litigation costs and expenses, including reasonable attorneys' fees and court costs.


2.12 Grantor may relocate this easement and utility lines therein at its sole cost and expense.


IN WITNESS WHEREOF, Grantor and Grantee have caused this Agreement to be duly executed as of the day and year first above written.

WITNESS:


1st Witness

GRANTOR
REDFISH HOLDINGS, LLC

By: 
(SEAL)
Printed Name: ARISE ZELLER
Title: Manager



2nd Witness

Illinois
STATE OF ~~SOUTH CAROLINA~~)
COUNTY OF ~~BEAUFORT~~ Cook)

Acknowledgement

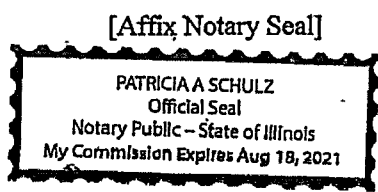
The foregoing instrument was acknowledged before me by REDFISH HOLDINGS, LLC by Arise Zeller, its Manager, this 8 day of June, 2018.



Notary Public for ~~South Carolina~~ Illinois (SEAL)

My Commission Expires: _____

Printed Name of Notary Public:
Patricia A Schulz



WITNESS:

[Signature]
1st Witness

[Signature]
2nd Witness

GRANTEE
DAUFUSKIE ISLAND UTILITY
COMPANY, INC.

By: [Signature]
(SEAL)
Printed Name: MIKE GUSTELLA
Title: MANAGER

New Mexico
STATE OF ~~SOUTH CAROLINA~~)
Bernalillo)
COUNTY OF ~~BEAUFORT~~)

Acknowledgement

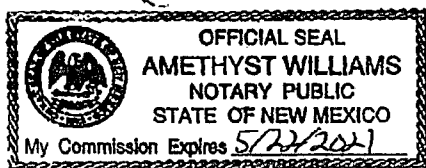
The foregoing instrument was acknowledged before me by **DAUFUSKIE ISLAND UTILITY COMPANY, INC.** by Mike Gustella, its Manager, this 26 day of October, 2018.

[Signature] (SEAL)
Notary Public for ~~South Carolina~~
New Mexico

My Commission Expires: 5/22/2021

Printed Name of Notary Public:
Amethyst Williams

[Affix Notary Seal]



WITNESS:

Karrese Thomas
1st Witness

J. D. Moli
2nd Witness
Karrese Thomas
1st Witness

J. D. Moli
2nd Witness

GRANTEES
STEPHEN A. NOLLER
BEVERLY P. NOLLER

Stephen A. Noller
Stephen A. Noller
Printed Name: Stephen A Noller

Beverly P. Noller
Beverly P. Noller
Printed Name: Beverly P Noller

Georgia
STATE OF ~~SOUTH CAROLINA~~)
Jones)
COUNTY OF ~~BEAUFORT~~)

Acknowledgement

The foregoing instrument was acknowledged before me by **STEPHEN A. NOLLER and BEVERLY P. NOLLER** this 23 day of April, 2018.

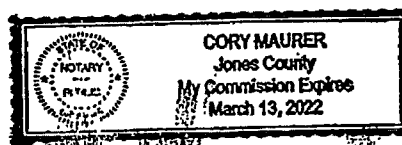
Cory Maurer (SEAL)
Notary Public for South Carolina Georgia

My Commission Expires: 3-13-22

Printed Name of Notary Public:

Cory Maurer

[Affix Notary Seal]



WITNESS:

GRANTEES

JOHN M. HALWIG
NANCY D. HALWIG

Conroy Stelm
1st Witness

John M. Halwig
John M. Halwig
Printed Name: John M. Halwig

Sen Bull
2nd Witness

Conroy Stelm
1st Witness

Nancy D. Halwig
Nancy D. Halwig
Printed Name: Nancy D. Halwig

J. A. Halwig
2nd Witness

Georgia)
STATE OF SOUTH CAROLINA)
Fulton)
COUNTY OF BEAUFORT)

Acknowledgement

The foregoing instrument was acknowledged before me by JOHN M. HALWIG and NANCY D. HALWIG this 27th day of April, 2018.

Lori S. Thompson (SEAL)
Notary Public for South Carolina

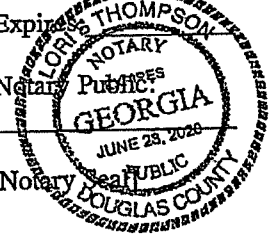
My Commission Expires
Printed Name of Notary Public
[Affix Notary Seal]


EXHIBIT A**Grantor Property Description
Burdened Property**

The real property which is the subject of this Easement Agreement is a portion of that certain property conveyed by FIG DAFASKIE 1, LLC to REDFISH HOLDINGS, LLC on February 13, 2018 in Book 3643, Pages 3261 – 3272 in the Register of Deeds for Beaufort County, South Carolina. Said property having a TMS Number of R800-025-000-001A-0000-00, as may be shown in reference to such Tax Map in the official records of Beaufort County, and on that certain plat entitled "Plat Of A Portion Of Melrose Plantation Known As The Melrose Club Property" prepared by Gifford, Neilson & Williams, Matthew M. Crawford, SC RLS Number 9756, dated April 26, 1988, last revised August 29, 1988 and recorded in the Office of the Register of Deeds of Beaufort County, South Carolina in Plat Book 35 at Page 245. The portion of said property subject to this Easement Agreement is more clearly shown on Exhibit B of this instrument.

EXHIBIT B**Utility Easement Area**

The Utility Easement Area is that certain area shown and described on a Plat by Thomas & Hutton, entitled Water and Sewer Plan, Sheet C2.1, for Dr. Halwig and Ms. Noller and dated May 6, 2017. The dimensions of the Easement Area proceeds from Martinangel Road between the 16th green of the Melrose Club Golf Course and the 17th tee of the Melrose Club Golf Course to a point on Driftwood Cottage Lane and being approximately 25 feet wide as shown on the above-referenced Plat, which plat is attached hereto and made a part hereof.

EXHIBIT C

Benefited Property Description

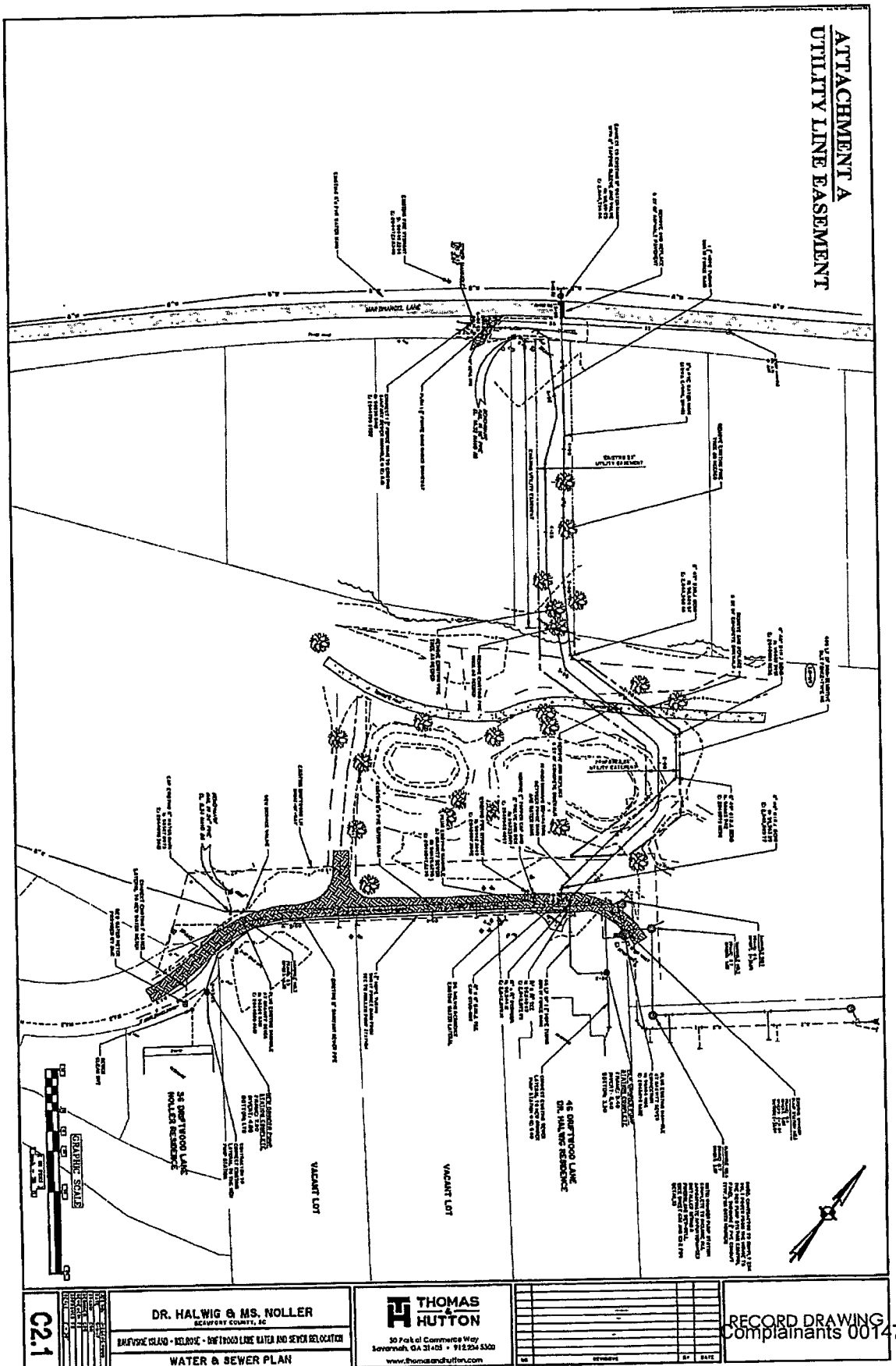
Halwig Exhibit C – TMS No.: R800-025-000-0097-0000 – ALL that certain piece, parcel or lot of land situate, lying and being on Daufuskie Island, Beaufort County, South Carolina, and being a part of the Melrose Plantation, said parcel being more particularly shown and designated as LOT NUMBER THREE (3) on a plat thereof dated September 18, 2001, recorded in the Office of the Register of Deeds for Beaufort County, South Carolina, in Plat Book 103 at Page 194, as revised.

Halwig Exhibit C – TMS No.: R800-025-000-0039-0000 – ALL that certain piece, parcel or tract of land lying and being on Daufuskie Island, Beaufort County, South Carolina, and being a part of Melrose Plantation, which parcel is more particularly shown and designated as LOT NUMBER ONE (1) on a plat prepared by William S. Saunders, SCRLS # 16122, dated September 18, 2001, as revised, which was recorded in the Office of the Register of Deeds for Beaufort County, South Carolina on January 10, 2005, in Plat Book 103 at Page 194.

Halwig Exhibit C – TMS No.: R800-025-000-0096-0000 – ALL that certain piece, parcel or tract of land lying and being on Daufuskie Island, Beaufort County, South Carolina, and being a part of Melrose Plantation, which parcel is more particularly shown and designated as LOT NUMBER TWO (2) on a plat prepared by William S. Saunders, SCRLS # 16122, dated September 18, 2001, as revised which was recorded in the Office of the Register of Deeds for Beaufort County, South Carolina on January 10, 2005, in Plat Book 103 at Page 194.

Halwig Exhibit C – TMS No.: R800-025-000-0021-0000 – ALL that certain piece, parcel or lot of land situate, lying and being on Daufuskie Island, County of Beaufort, South Carolina, which is more particularly described as 1.82 Acres, more or less, and containing 79,199 square feet, on the plat entitled "A Boundary Recombination Survey of Lots 26, 27 & 28 Into 1 Lot, Shown as Outparcels Accessed by a 20' Easement on Driftwood Cottage Lane, Melrose Plantation, Daufuskie Island, Beaufort County, South Carolina," dated September 18, 2001, prepared by William S. Saunders, PLS #16122, and which is recorded in Plat Book 129 at Page 107. Said property was formerly shown as Lots 26, 27, and 28 on the subdivision plat prepared by Civil Engineering of Columbia, dated July 20, 1978, which is recorded in Record Book 293 at Page 16.

Noller Exhibit C – TMS No.: R800-025-000-0090-0000 – ALL that certain piece, parcel or lot of land situate, lying and being in Melrose on DAUFUSKIE ISLAND, Beaufort County, South Carolina, shown and described as Lot 11, on a plat thereof prepared by Matthew M. Crawford, S.C. R.L.S. #9756, said plat dated the 6th day of November, 1986, revised the 6th day of January, 1987, and recorded in the Office of the Register of Mesne Conveyances for Beaufort County, South Carolina, in Plat Book 34 at Page 116. For a more detailed description as to location, courses, metes, bounds, distances, etc., reference may be had to said recorded plat.



Jack Smith

From: Thomas P. Gressette, Jr. <Gressette@WGFLAW.com>
Sent: Monday, October 29, 2018 4:17 PM
To: Jack Smith
Cc: Trenholm Walker
Subject: Addendum and Exhibits
Attachments: Addendum and Release 10-29-2018.pdf; EXHIBIT A-G (Addendum to Customer Service Agreement).pdf

Jack:

Attached is an Addendum to the Customer Service Agreement which I drafted to include all relevant documents as exhibits. That way the parties will each have a complete set. Some copies are not great, but I will remedy that -- I just wanted to be sure you had a copy of the exhibits.

I also have the signed original easement page in hand, so we are set on that item as well.

Let me know if you have any questions or if you want to discuss.

Thanks!

Tom



THOMAS P. GRESSETTE, JR.
 843.727.2249 direct
 Gressette@WGFLAW.com

PO Box 22167, Charleston, SC 29413
 66 Hasell Street, Charleston, SC 29401

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ADDENDUM TO CUSTOMER SERVICE AGREEMENT

WHEREAS, Michael Halwig, Nancy Halwig, Beverly Noller and Stephen Noller (together the "Customers") and Daufuskie Island Utility Company, Inc. ("DIUC") entered into a Customer Service Agreement ("CSA") (copy attached hereto as **Exhibit A**);

WHEREAS, pursuant to the CSA, the Customers caused to be installed certain water mains and facilities ("Project Mains" as referenced in the CSA);

WHEREAS, the Project Mains includes the Curb Stops and Meters installed by DIUC but does not include any items located on the premises owned by the Customers (the Premises");

WHEREAS, the Customers represent to the best of their knowledge that the Project Mains comply with all applicable laws, ordinances, rules, regulations and lawful orders of governmental authorities;

WHEREAS, the Customers have provided DIUC with an acknowledged bill of sale transferring the Project Mains to DIUC (copy attached hereto as **Exhibit B**);

WHEREAS, the Customers and DIUC wish to enter into this Addendum to the CSA in order to clarify the obligations between them pursuant to the CSA and to resolve all issues between them so as to avoid the costs of and delays associated with having disputed issues resolved by litigation, mediation, arbitration, or other complaint procedures or processes;

WHEREAS, the Drawings of Record/As-Built Drawings (copy attached hereto as **Exhibit C**), depict the newly installed Project Mains to be owned, operated, and maintained by DIUC and also depict certain items located on the Customers' property which will remain the property of and responsibility of the Customers;

WHEREAS, pursuant to NARUC prescribed Uniform System of Accounts, when DIUC incorporates the Project Mains into its system it will book the cost of the Project Mains as

Contributions In Aid Of Construction;

WHEREAS, pursuant to the recent Tax Cuts and Jobs Act, DIUC will incur a tax liability at a rate of \$33.24 for every \$100.00 of the amount booked as Contributions In Aid Of Construction;

WHEREAS, pursuant to Paragraph 3 of the CSA, the Customers have provided invoices (copies attached hereto as **Exhibit D**) for costs associated with the Project Mains as follows:

PINCO	\$ 69,337.72 ¹
Thomas and Hutton	\$ 39,346.35
Joe Davis	\$ 2,650.00
Sea Island Land Survey	\$ 1,300.00
SC DHEC	\$ 250.00
Transportation Costs	\$ 70.00
TOTAL	\$ 112,954.07

WHEREAS, DIUC has provided the Owners with a statement from its legal counsel (copy attached hereto as **Exhibit E**)² indicating that DIUC has incurred legal costs of \$3,900.00 related to the matters contained in the CSA;

WHEREAS, DIUC has provided the Owners with a statement (copy attached hereto as **Exhibit F**) indicating that DIUC incurred ferry transportation costs of \$70.00 for the Customers' engineer Fred Sororian; and

WHEREAS, as a result of incorporating the Project Mains into its utility plant in service, DIUC will incur a tax obligation of \$37,545.93, which is equal to 33.24% of \$112,954.07.

THEREFORE, in order to resolve all questions as to the obligations of the Owners and DIUC pursuant to the CSA, the Owners and DIUC agree:

¹ Supplemental Schedule from Pinco totaling \$76,487.72 less \$7,150.00 for Items 6 and 7 which will remain the property and responsibility of the Customers.

² The Customers and DIUC agree that production of the invoice does not constitute a waiver of any work product protections or the attorney-client privilege.

1. The Customers shall pay to DIUC \$3,900.00 for legal costs and \$37,545.93 for taxes incurred. Said payment shall be made by cashiers check payable to Daufuskie Island Utility Company, Inc. and delivered to: Thomas P. Gressette, Jr., Esq., Walker Gressette Freeman & Linton, LLC, 66 Hasell Street, Charleston, SC 29401.

2. The Customers will withdraw and release any and all claims and complaints they have asserted or may assert against DIUC in regard to the installation of the Project Mains, including but not limited to, those issues raised by letter from Newman Jackson Smith, Esq. to Chad Campbell dated September 11, 2018 (copy attached hereto as **Exhibit G**).

IT IS SO AGREED THIS ____ DAY OF OCTOBER, 2018.

Witness

Stephen A. Noller

Date: _____

Witness

Beverly P. Noller

Date: _____

Witness

John M. Halwig

Date: _____

Witness

Nancy D. Halwig

Date: _____

Daufuskie Island Utility Co., Inc.

Witness

Signed: _____

Printed Name: _____

Title: _____

Date: _____